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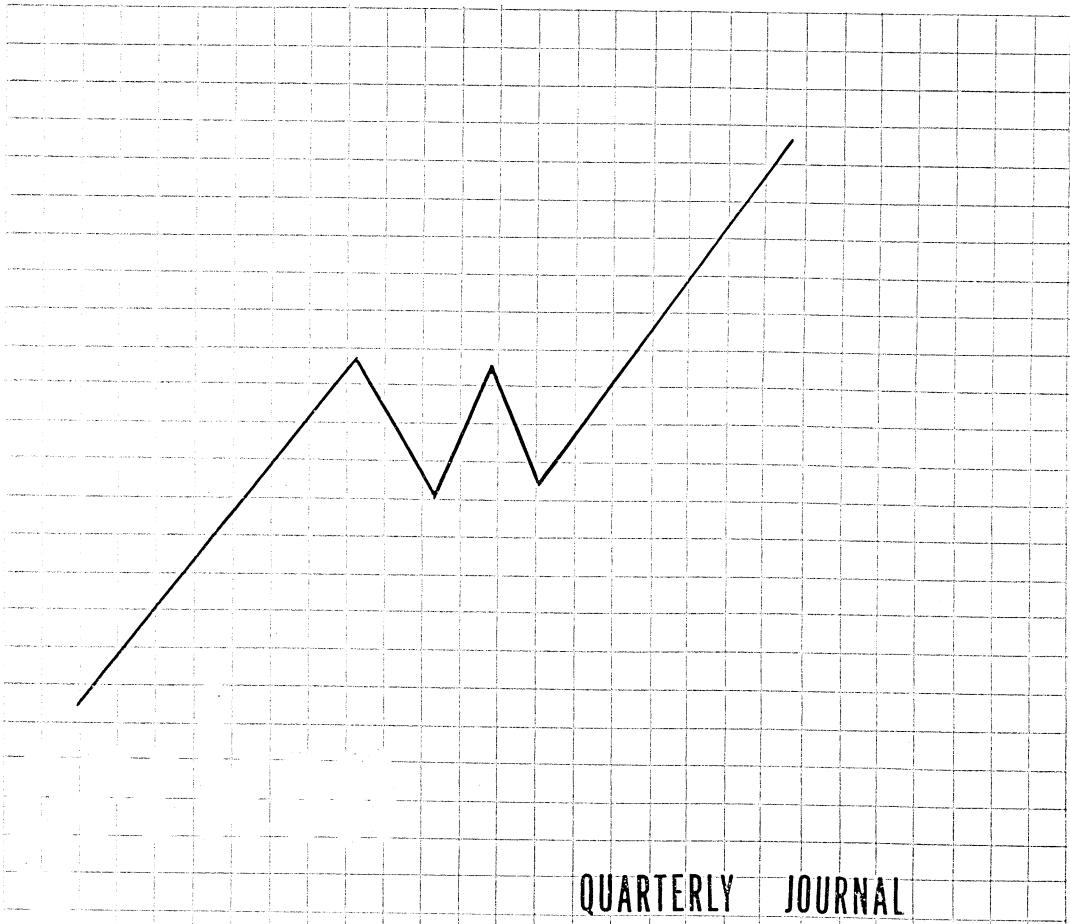
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Vol. 1, No. 4  
October 1962



PRICE 20c



QUARTERLY JOURNAL  
ON AGRICULTURAL  
ECONOMICS

Issued by the Department of Agricultural Economics and Marketing, Pretoria

# Agrekon

## REQUIREMENTS FOR CONTRIBUTIONS

Editorial committee: Dr. C. van der Merwe (chairman), A.J. du Plessis (vice-chairman), Dr. F.R. Tomlinson, Dr. A.P. Scholtz

Editors: O.E. Burger and H.J. van Rensburg

Technical editing: Q. Momberg

Deserving articles in the field of agricultural economics, for publication in this journal, will be welcomed.

These articles should have a maximum length of 10 folio pages (including tables, graphs, etc.), typed in double spacing. All contributions should be submitted in triplicate (preferably in both languages) to the editors, c.o. Department of Agricultural Economics and Marketing, Pretoria, and should be received by the editors at least one month prior to publication date.

The journal is being distributed by and is obtainable from the distributors: "Agrekon", Private Bag 144, Pretoria.

(The price is 20 cents per copy or 80 cents per annum, post free.)

Dates of issue, on a quarterly basis, are the following: January, April, July and October.

"Agrekon" is also published in Afrikaans.

## *General, Comments and Announcements*

### **Difference in Producers' Prices for white and yellow maize to be abolished**

The Maize Board has decided not to differentiate in the producers' prices for white and yellow maize next year. During the present marketing season (1962/63) the net price of white maize is 5c per bag higher than that of yellow maize. The production of white maize has now reached such a high level that more than sufficient quantities are available to satisfy local needs and the limited overseas demand for industrial purposes. There is thus no longer any necessity for maintaining a price difference in favour of white maize.

### **Further assistance to the Maize Industry**

The Government and the Railways recently agreed to make the following contributions to combat the adverse effect which certain national measures have on the competitive position of South Africa in the overseas market for maize:-

Firstly, the Railways undertook to charge, as from the 1st September 1962, on maize exported from the harbour of Cape Town, the rates which would have been payable had such maize been exported from the harbour of East London.

Secondly, the Government undertook to contribute 5c per bag to the transport of export maize and primary maize products exported during the 1962/63 marketing season. This amount will be paid into the Stabilisation Fund to compensate for the increased bag and other costs emanating from certain protective measures which influence the production cost of maize; thus adversely affecting the competitive position of the industry on the export market. According to the Maize Board's export programme, this contribution will amount to about R1,100,000.

### **Stability in Agriculture**

From time to time somebody proclaims that stability in agriculture can be achieved through farm planning, farm-enterprise planning, maintenance of reasonably stable prices, etc. This is, however, not altogether true.

Stability is the key to prosperity and satisfaction in agriculture. In the first instance it is physical in character, but it has also economic aspects of equal importance.

In other words, stability in the physical sense means that farmers in any one agro-economic region should adhere to a certain type of farming, and not continually switch from one product to another. This includes, of course, the very important functions of farm planning, conservation farming and adjustment.

On the other hand, stability in the economic sense means, firstly, reasonable stable prices for both production elements and products; secondly, a reasonable stable annual income for the individual farmer. As regards the latter, farm-enterprise planning undoubtedly plays an important part. But this is not enough, because it cannot provide for or against factors beyond the control of the farmer.

Consequently, as far as the economic aspect of this problem is concerned, it is of utmost importance to realise (especially under present-day conditions) that stability in annual income of the farmer plays a dominant part. If this can be achieved, price disputes will be less severe. Because, without a steady annual income, it is a matter of life and death for the farmer to obtain the very best prices for his products when he has a successful year - next year may be without a crop and income.

Apparently, therefore, there is a "missing link" in our agricultural economy: A stable annual income for the farmer means an insured annual income - but no organisation exists as yet in South Africa which can offer such insurance to the farmer. In several overseas countries this type of service is already available. Insurance business is, however, not a State function.

- submitted by O. E. Burger, Division of Economics and Markets.