

MARKETING

CONTROL

BOARDS

& PRICES

1975-76

Fixing food prices

If more co-ordination isn't soon introduced into agricultural product pricing there'll be a revolt of farmers as well as housewives

The current chaos in food prices and supplies is bad for the whole economy, to say nothing of the soil and, ultimately, farmers themselves. It can and must be ended.

But as long as the present unco-ordinated *ad hoc* way of fixing prices continues, trouble will be inevitable. No Minister of Agriculture, however hard he tries, will be able to prevent it, as recent events have shown.

It all started some years ago when crop prices were pushed far too high. Many farmers then, understandably, began switching over entirely to cash crops instead of raising cattle. The result, as has often been pointed out in the *FM* and elsewhere, was misuse of our precious soil (and we mean precious). Land was ploughed up which ought never to have been ploughed. And that accelerated soil erosion.

Soil erosion is perhaps too weak a term; what the excessive stimulus to crop farming really did was create a dustbowl in parts of the Free State and quicken the encroachment of the desert eastwards across the continent. No less.

Reversing the trend

It also seriously weakened the dairy and beef industries. Today, if it weren't for imports, the Republic would be seriously short of beef.

Now the trend is being reversed. Current high red meat prices are causing farmers to switch back from maize to beef. There is a real danger that the pendulum will swing too far again.

The reason beef production isn't increasing faster in response to high prices is that there is a shortage of breeding stock, and herds can't be built up overnight. Meanwhile, the high meat prices are causing milk producers to slaughter their animals. And so one imbalance inevitably leads to another.

The right policy, as the recent Commission of Inquiry into Agriculture correctly defined it, should be one which promotes the "optimum use of our limited natural resources". Without this it simply won't be possible to feed our growing population in a few years' time.

But to ensure we will be able to, while at the same time husbanding our slender soil reserves, requires that a balanced farming pattern must be evolved (both between one branch of farming and another, and within individual farms).

Assuming key food prices will continue to be subject to some form of control, this can only be achieved with a sound, scientific, price policy, so that individual product prices can be set within an overall national framework which will encourage or discourage the output of individual products as market demand, resources and costs dictate.

One way of achieving better co-ordination would be to introduce the British system, in which all prices are reviewed at the same time once or twice a year. This has worked well in ironing out similar problems in Britain. Other EEC countries are starting to adopt it as well.

Calculating costs

In Britain the cost analyses (which should influence, but obviously not solely determine, prices) are done by an independent university research institute. Here they are done by the Department of Agricultural Economics and Marketing.

This could probably continue. The control boards could still make their individual recommendations, but instead of each lobbying the Minister separately, everyone concerned (government departments, the control boards, the farmers' organisations and economists) should get round one table under the chairmanship of the Minister of Agriculture and decide on all prices simultaneously, with the possible effects of their inter-relationships continuously in mind.

The advantage would not only be better co-ordination of prices. A body of this sort would also be less susceptible to lobbying by the more powerful groups than any Minister of Agriculture is. And the farmers themselves would be directly involved in framing their own overall policy. The National Marketing Council, which has never had the neces-

sary power to operate effectively, and has no say in framing general principles, could then fall away.

The existing price schemes — fixed prices for some and floor prices and pool prices for others — would not need to be changed. Nor would it be necessary to await the findings of the Parliamentary Committee at present investigating the marketing boards. It would simply have to take the new arrangement into account while continuing its important task of reassessing the functions and composition of the various boards.

One problem that has to be overcome in any system involving an annual or bi-annual price review is the question of timing because of the various planting and marketing seasons. But it is not insuperable.

It would, for example, be virtually impossible to attempt to fix the maize price in advance. Because of its importance as an export product, and the wildly fluctuating world price, this could not be fixed until enough is known about the size of the crop and the prospects for exports, ie in April as at present.

Question of timing

Until a few years ago the wheat price was announced in advance, and as this is not a major export, and never will be, a return to the old procedure should not cause a lot of trouble. For milk, which is a "continuing production product," and possibly for others, a review might be called for twice a year. But the Minister could do this with the interests more directly concerned, without calling the whole "council" together and without disturbing the co-ordination sought from such an overall system.

No doubt there will be countless objections raised by producer groups which have a vested interest in retaining the *status quo*. But all objections that are merely self-serving should be brushed aside. It is the national interest that is at stake, and if this government isn't strong enough to rally farmers to put patriotism before pocket, whoever will be?

AGRICULTURE - GENERAL

Farm panel welcomed

17.10.74
STAR

Farming Editor

ORGANISED agriculture today welcomed the announcement by the Minister of Agriculture, Mr Hendrik Schoeman, that an agricultural planning council is to be created.

Mr Chris Cilliers, director of the South African Agricultural Union (SAAU), said: "We have been asking for it for a long time. It was one of our submissions to the Commission of Inquiry into Agriculture (Du Plessis Commission). That commission recommended there should be two planning councils, one for production

and one for marketing. But we said it should be the responsibility of a single body. We repeated the submission to the body now investigating the workings of the Marketing Act."

The planning council would decide that an agricultural product was such that the country could not very well compete on world markets. Production would therefore be aimed at supplying the local market only. Another product could successfully compete on world markets. Production should therefore be export orientated, he said.

11 FEB 1975

Agri - Marketing Control Boards

Boards established in terms of Marketing Act

*13. Dr. F. VAN Z. SLABBERT asked the Minister of Agriculture:

- (1) What boards have been established in terms of the Marketing Act;
- (2) (a) how many persons serve on each of these boards and (b) what were the total emoluments paid to the members of each board in 1974;
- (3) (a) what number of staff was employed by each board and (b) what were the total salaries paid to the staff in that year.

†The MINISTER OF AGRICULTURE (Reply laid upon Table with leave of House):

- Potato Board: 13 plus 1 advisory member.
- Dry Bean Board: 7.
- Dried Fruit Board: 13 plus 1 advisory member.
- Egg Control Board: 14 plus 1 advisory member.
- Karakul Board: 9 plus 1 advisory member.
- Cotton Board: 14 plus 2 advisory members.
- Wheat Board: 20 plus 2 advisory members.
- Lucerne Seed Control Board: 7 plus 2 advisory members.
- Milk Board: 17 plus 1 advisory member.
- Maize Board: 21.
- Oilseeds Control Board: 16 plus 2 advisory members.
- Banana Control Board: 12.
- Livestock and Meat Industries Control Board: 24 plus 2 advisory members.
- Canning Fruit Board: 12
- Rooibos Tea Control Board: 9.

Deciduous Fruit Board: 13.	Dairy Board: 18.
Chicory Control Board: 11 plus 1 advisory member.	Mohair Board: 7.
Citrus Board: 18.	Tobacco Board: 16 plus 2 members.
South African Wool Board: 16 plus 1 advisory member.	National Marketing Council: 6
	Agricultural Reference Board: 3

2 (b) (Figures for 1974 not available. Figures for the 1973/74 financial years of the various control boards are furnished)

		Chair- mans' allow- ance (R)	Subsistence allow- ance* (R)	Trans- port allow- ance* (R)	Total (R)	Grand Total (R)
Potato Board	Chairman	400	855	2 031	3 286	
	Members		1 786	3 593	5 379	8 665
Dry Bean Board	Chairman	400	406-50	722-92	1 529-42	
	Members		467-64	578-67	1 046-31	2 575-73
Dried Fruit Board	Chairman	400	450	1 017-97	1 867-97	
	Members		1 340-10	2 773-55	4 113-65	5 981-62
Egg Control Board	Chairman	500	561	402-31	1 463-31	
	Members		2 429-65	5 835-26	8 264-91	9 728-22
Karakul Board	Chairman	—	288	403-20	691-20	
	Members		1 681-73	2 517-07	4 198-80	4 890-00
Cotton Board	Chairman	—	216-00	372-48	588-48	
	Members		2 168-58	4 359-60	6 528-18	7 116-66
Wheat Board	Chairman	1 500	2 384-25	2 779-68	6 663-93	
	Members		4 971-37	10 558-85	15 530-22	22 194-15
Lucerne Seed Control Board	Chairman	100	294	122-60	516-60	
	Members		152-19	100	252-19	768-79
Milk Board	Chairman	750	468	653	1 871	
	Members		3 405	4 258	7 663	9 534-11
Maize Board	Chairman	1 500	1 308-50	1 647-48	4 455-98	
	Members		5 336-16	8 547-52	13 883-68	18 339-66
Oilseeds Control Board	Chairman	747	676-99	1 479-54	2 903-33	
	Members		2 105-47	3 441-59	5 547-06	8 450-39
Banana Control Board	Chairman	500	360	—	860	
	Members		2 385-64	3 498-40	5 884-04	6 744-04
Livestock and Meat Industries Control Board	Chairman	1 500	3 031	598	5 129	
	Members		8 466	16 184	24 650	29 779
Canning Fruit Board	Chairman	600	640	536-35	1 776-35	
	Members		1 625	2 058-42	3 683-42	5 459-77
Rooibos Tea Control Board	Chairman	200	880	106-30	1 186-30	
	Members		356-64	708-94	1 065-58	2 251-88
Deciduous Fruit Board	Chairman	1 000	1 196	617	2 813	
	Members		7 970	8 936	16 906	19 719
Chicory Control Board	Chairman	396	1 026	406	1 828	
	Members		1 812	1 985	3 797	5 625
Citrus Board	Chairman	—	492	605	1 097	
	Members		5 804	2 912	8 716	9 813
S.A. Wool Board	Chairman	2 000	1 718		3 718	
	Members		12 220		12 220	15 938
Dairy Board	Chairman	1 000	636	1 123	2 759	
	Members		3 401	5 135	8 536	11 295

		Chair- mans' allow- ance (R)	Subsis- tence allow- ance* (R)	Trans- port allow- ance* (R)	Total (R)	Grand Total (R)
Mohair Board	Chairman	400	572-25	947-82	1 920-07	
	Members		619-73	1 005-52	1 625-25	3 545-32
Tobacco Board	Chairman	600	309	181	1 090	
	Members		2 550	4 699	7 249	8 339
National Marketing Council**						
Agricultural Reference Board**						

* Paid to cover expenses in respect of attendance of meetings

** Members' salaries and subsistence and transport allowances are paid from State funds and amounts are not readily available

	3 (a)*			3 (b)*		
	White	Non- White	Sea- sonal em- ployees Total	White (R)	Non- White (R)	Total (R)
Potato Board . . .	31	33	64	142 926	15 796	158 712
Dry Bean Board . . .	10	2	12	55 056-44	1 500	56 556-44
Dried Fruit Board . . .	15	1	16	82 686-93	1 023-31	83 710-24
Egg Control Board . . .	86	116	202	362 348-75	101 467-06	463 815-81
Karakul Board . . .	5	1	6	39 966-73	284	40 250-73
Cotton Board . . .	2	1	3	2 252-42	75	2 327-42
Wheat Board . . .	143	18	161	673 895-07	15 002	688 897-07
Lucerne Seed . . .	4	—	4	15 331	—	15 331
Milk Board . . .	67	15	82	307 014	17 305	324 319
Maize Board . . .	318	39	357	1 293 980-64	36 246-77	1 330 227-41
Oilseed Control . . .	43	5	48	203 085-30	5 137-50	208 222-80
Banana Control Board	53	99	152	355 641-74	108 550-03	464 191-74
Livestock and Meat Industries Control Board . . .	379	115	494	1 638 027	123 682	1 761 709
Canning Fruit Board	7	—	7	42 575-57	—	42 575-57
Rooibos Tea Control Board . . .	4	18	22	22 875-28	8 733	31 608-28
Deciduous Fruit Board . . .	169	46	215	935 365	58 397	993 762
Chicory Control Board . . .	19	52	132	99 846	74 222	174 068
Citrus Board . . .	315	64	379	1 581 602	31 669	1 613 271
S.A. Wool Board . . .	197	120	317	954 851	99 977	1 054 828
Dairy Board . . .	37	10	47	232 343	2 860	235 203
Mohair Board . . .	10	2	12	63 039	2 062-80	65 101-80
Tobacco Board . . .	11	2	13	84 629	2 260	86 889

* Figures in respect of the 1973-74 financial year of the various control boards.
Figures for 1974 not available.

HANSARD 3 Q. column 172.
18 February 1975.

**Employees of boards established under
Marketing Act**

Agri - Marketing Control Boards

*22. Dr. F. L. FISHFR (for Dr. G. F. Jacobs) asked the Minister of Agriculture:

How many (a) White, (b) Coloured, (c) Indian and (d) Bantu persons are in the employ of boards established under the Marketing Act.

†The MINISTER OF AGRICULTURE:

(a) 1 839.

(b) 256.

(c) 2

(d) 792.



Dairy farming . . . teetering on the brink of collapse

the SA Agricultural Union (SAAU), government officials, economists and so on should meet once a year and revise the relationship between prices in line with national production and marketing requirements.

What's happened? The SAAU, we learn, has made recommendations to the Commission of Inquiry into Marketing, so nothing official will emerge till that body reports. It is believed, however, that the SAAU's proposals include a new agricultural planning and marketing group, over and above the National Marketing Council, which would lay down policy.

Meanwhile, a tentative move towards better co-ordination is that the other groups affected by the maize price (dairy, slaughter stock and poultry) have requested that their price discussions follow the decision on the maize price. The *FM* understands beef farmers are asking for a higher floor price to narrow the gap between it and market prices.

Dairy farming, SAAU director Chris Cilliers points out, presents a problem all over the world. It is becoming the least attractive branch of agriculture. In view of its seven-day working week, Cilliers warns, dairy farmers will eventually have to be given a special premium over and above ordinary price considerations, or the country will be faced with chronic milk shortages.

F.M. 4/4/75
AGRICULTURAL PRICES

Wot, no formula?

Agriculture - Marketing Control Board
Things do move at a snail's pace in the agricultural sector. The annual maize price review — currently on Minister Hendrik Schoeman's desk — calls to mind that moves were afoot some time ago to get farm prices properly co-ordinated.

There was general sympathy for a proposal that all concerned — farmers —

The 'tannies' who keep a watchful eye on farmers

RDM
17/3/75

SOUTH AFRICAN farmers tend to get depressed by disease, drought, flood, inadequate agterskots and voorskots, and rugby Test defeats. Somewhere on this list of negatives the Consumers' Advisory Committee should also figure.

For this is the panel of 16 people appointed by the Minister of Agriculture in terms of the Marketing Act to "represent the consumers of (agricultural) products" or the various agricultural control boards.

Just how effective they are is difficult to judge, because they seldom if ever command the public's attention, not being "allowed" to talk to the Press, and the committee's annual report tabled in Parliament makes about as much splash as a pebble tossed into Table Bay.

Judging by recent rises in the prices of milk, mealies, eggs, bread, etc, some might feel that their track record in guarding the interests of consumers leaves something to be desired.

This, however, may not be so much their fault as the fact that their function is purely advisory.

Most members of the committee will tell you they consider their presence on the control boards (they are dispersed among 12 of the boards) to be useful, few claim to be really effective and one or two feel that in general the consumers' representatives are "pretty ineffectual."

- Little known to the general public are 16 people specially appointed to represent the country's consumers on the various agricultural control boards. Who are they and how effective are they? JOHN IMRIE reports.

Only one woman claimed actually to have limited price rises. "On quite a number of occasions, when the producers pressed for higher prices, I proposed a lower price rise and this was accepted," she said.

More general was the view that the mere presence of the consumers' representatives on the boards was a restraining or disciplining factor on the producers.

"They know we are there and so they must justify what they ask for," was a point frequently made by committee members. "Our presence is necessary because, although we have no effective vote, our views are minuted and they do reach the Minister," was another point made.

The committee members are chosen from names submitted by organisations which the Minister recognises as "representative of consumers."

Judging by the composition of the present committee those most favourably viewed are the women's agricultural unions (now cultural and educational bodies, no longer agricultural), the Public Servants' Association and the United Municipal Executive (which must nominate two representatives).

Black consumers are not

represented, nor is the Trade Union Council of South Africa, the biggest trade union group in the country.

There was a time when members of the committee had an image of being elderly "tannies" but in recent years there appears to have been an effort to improve the committee's quality.

An impression I got from several members to whom I spoke was that while they were courteously treated on the boards, they nevertheless felt that the producers were "tolerating" them and would really like to get rid of them altogether.

Not as bad as the rinderpest, perhaps, or an eclipse at Ellis Park, but evidently annoying to some degree to the farmers' representatives.

A commission of inquiry is now examining the whole Marketing Act, including the composition of the control boards, and the long-term fate of the consumers' representatives remains to be seen.

The present Consumers' Advisory Committee is chaired by Mr J. H. Basson, who has had a long association with the Government in his capacity as former general secretary of the Public Servants' Association.

As reported yesterday, Mr Basson does not like talking to the Rand Daily Mail and refused to be interviewed.

The following are the names of the 16 members of the committee and the boards on which they represent consumers. Asterisks denote members who serve on more than one board.

● **MILK BOARD:** Mr Basson*, Mrs Bernice du Plessis, wife of a former Administrator of the Cape.

● **MEAT BOARD:** Mrs A. C. Meyer*, of Westering, Port Elizabeth, national chairman of the South African National Consumers' Association; Mrs O. Smit*, of Westville North, Durban, member of the Natale Christelike Vrouevereeniging; Mr J. J. C. Kok, attorney and long-time (30 years) Mayor of Edenburg in the Free State, whose name was submitted to the Minister by the United Municipal Executive, of which Mr Kok is a past president.

● **MAIZE BOARD:** Mrs J. Druckman*, of Parys, housewife and member of the Oranje Vrouevereeniging; Mr R. H. Landman, general secretary of the Public Servants' Association, before that manager of the Klerksdorp Mines Benefit Fund.

● **WHEAT BOARD:** Mrs Druckman. There is a vacancy.

● **DRIED FRUIT BOARD:** Mrs G. J. van der Merwe, of Stellenbosch, business woman and member of the Stellenbosch Afrikaanse Sakekamer. Recently appointed.

● **POTATO BOARD:** Mrs Smit, of Durban; Mrs Meyer, of Port Elizabeth.

● **OILSEEDS CONTROL BOARD:** Mrs Hattie Martins, of Waterkloof, Pretoria, president of the South African Women's Agricultural Union.

● **BANANA CONTROL BOARD:** Mrs B. Hirzel, of Waterkloof, Pretoria, noted home economist and dietary expert and official of the SA National Consumers' Union.

● **DECIDUOUS FRUIT BOARD:** Mr Basson.

● **EGG CONTROL BOARD:** Mrs A. Hugo, of Sarel Cilliers Street, Kroonstad, vice-president of the SA Women's Agricultural Union and president of the Free State Women's Agricultural Union; Mrs du Plessis, of Stellenbosch.

● **CITRUS BOARD:** Mrs E. Cochrane, of Clark Road, Durban, former president of the National Council of women, and for six years the only English-speaking committee member; Mr J. H. Liebenberg of Pretoria, former president of the Railway Artisan Staff Association — he has had more than 20 years service on the Citrus Board.

● **DAIRY BOARD:** Mrs Martins; Mrs M. de V. Hoogenhout, Mayor of Vereeniging, nominated by the United Municipal Executive.

Two other members of the Consumers' Advisory Committee not serving on any agricultural boards are Mr Jan van Wyk, secretary of the Right-wing Pretoria-based Co-ordinating Council of South African Trade Unions, and Mrs Y. Forshaw, of Sandown, Sandton, a member of the has only recently been appointed to the committee. Housewives' League who

30 MAY 1975

Agri - Marketing Control Boards

✓ Consumer Advisory Committee

*16. Dr. F. Van Z. SLABBERT asked the Minister of Agriculture:

(a) What are the (i) names and (ii) occupations of the chairman and members of the Consumer Advisory Committee and (b) on what control boards does each member serve

†The DEPUTY MINISTER OF AGRICULTURE (Reply laid upon Table with leave of House):

(a)	(i)	(ii)	(b)
Mr. J. H. Basson (Chairman)	Pensioner		Deciduous Fruit Board, Milk Board
Mr. J. J. C. Kock	Attorney		Livestock and Meat Industries Control Board
Mr. R. H. Landman	Secretary to the Public Servants Association of South Africa		Maize Board
Mr. J. A. van Wyk	Secretary to the Co-ordinating Council for Trade Unions		
Mrs. R. Becker	Housewife		Deciduous Fruit Board
Mrs. J. Brockman	Housewife		Wheat Board Maize Board
Mrs. E. Cochrane	Housewife		Citrus Board
Mrs. B. du Plessis	Housewife		Egg Control Board Milk Board

(a)	(i)	(ii)	(b)
Mrs. M. de V. Hoogenhout	Housewife		Dairy Board
Mrs. B. Hirzel	Housewife		Banana Control Board
Mrs. G. J. van der Merwe	Housewife		Dried Fruit Board
Mrs. H. Martins	Housewife		Oilseeds Control Board Dairy Board
Mrs. A. C. Meyer	Housewife		Potato Board Livestock and Meat Industries Control Board
Mrs. Y. Forshaw	Housewife		
Mrs. A. Hugo	Housewife		Egg Control Board
Mrs. O. Smit	Housewife		Potato Board Livestock and Meat Industries Control Board

Agricultural control boards in general — and the Milk Board and Meat Board in particular — have been under fire by consumers following recent price increases.

Critics say these boards cost the country millions of rands and that they should be abolished. The money could be used to subsidise food to reduce the cost of living.

Mrs M A Kerr, of Berea, Johannesburg, put the case for the consumer in a letter to The Star:

"One way to reduce the high price of food would be to get rid of all control boards.

"We have at least 20 of these boards and, if each chairman earns R20 000 a year this equals R400 000. Add to this his expenses of trips overseas, car, plush offices, the salaries of all employed and the incidentals and it must run into millions.

"All these expenses could subsidise food vital to the health of the nation and the farmers would be able to devote more time and thought to producing instead of filling in innumerable forms.

"From my experience the formation of a new board increases the price of that commodity immediately. One has only to take bananas as an example."

In actual fact there are 21 boards in South Africa and two in South West Africa (Audited reports on the SWA boards are not readily available locally).

According to the latest figures available — for the year 1972/73 — administrative costs for 20 of South Africa's 1972/73 reports amounted to R10,8-m (figures for the Deciduous Fruit Board were not available). If this amount was paid as a subsidy to the Dairy Board alone, the effect would be a drop of about 10c in the price of 500g of butter.

Chairman of the boards are not paid a salary. They receive an allowance and are also paid a travel and subsistence allowance while on board duties. They are also insured by the boards they serve.

Allowances listed in

Should we scrap the control boards?

STAR
7/6/75

Millions of rands are ploughed annually into the administrative costs of South Africa's control boards — money which some people say would be better spent in keeping soaring food prices down. The Star's Farming Editor, LUCAS FOUCHE, looks at the functions of the boards and asks if there is a better alternative to the present system.

1972/73 reports amounted to R14 607.

Biggest allowance recorded — R2 500 a year — was for the chairman of the Wool Board. The Maize Board's chairman and vice-chairman jointly received R1 500, but the chairman also received a travel and subsistence allowance of R3 330.

The Wheat Board's chairman received R1 492 and the chairman of the Dairy Board R1 000. Allowances of other board chairmen varied between R50 (Tobacco Board) and R750 (Milk Board).

The total costs of allowances and travel and subsistence payments for the 20 chairmen amounted to R41 000 for the year and the travel and subsistence allowances for other board members cost the State R145 000.

Staff salaries, allowances, etc, accounted for almost R5,5m and other administrative expenses form the balance of the total sum spent on control boards.

The number of members of control boards varies from board to board. The Meat Board has the biggest membership with 24 and the Banana Board the smallest, with 12.

Producers (farmers) are in the majority on all boards but all other interests are represented. Consumers usually have two representatives on each board.

The various trades and industries concerned, plus the Department of Agriculture, are also represented.

Main functions of any control board are to ensure reasonable price stability for producers; to ensure equitable distribution of the product and to dispose of surplus stocks to the best advantage of the producer.

There is no denying that the price of agricultural produce rises once a control board has been established. This was the very reason for instituting boards — to ensure a reasonable price for the farmer when he sold his product.

Producers as for the formation of a control board for their product only when they are convinced the prices they are receiving are not economical. They join together to increase their bargaining power in the same way as do workers when they form a trade union.

Control boards operate in a variety of ways. Some take over the total crop, pay the farmers a fixed price and market the crop as best they can — one-channel marketing as with maize, wheat, milk, oil seed, dairy produce, citrus, deciduous fruit, dried fruit and bananas.

Others operate a floor-price (pre-determined, guaranteed price) scheme. This guarantees a mini-

mum price to the producer but allows him to find more profitable markets where and if he can. Such a scheme applies to eggs, grain sorghum and dried beans.

Others, like the Meat Board and Wool Board, also operate a floor-price scheme and sell at auctions, but these boards buy in when the price drops below the floor-price and sell later when demand improves.

Criticism of control boards comes on one side from the trade and industry — which claim the boards are foreign to the capitalistic system of private enterprise and not nearly as efficient.

On the other hand, consumers complain that boards push the price of food too high by adding unnecessary costs through inefficiency and bungling.

Much of the criticism is undoubtedly justified, but what is the alternative to the control board system? The law of supply and demand operating freely in a capitalistic system of private enterprise inevitably brings high prices in times of shortage and uneconomical, low prices in times of over-production.

What would the price of milk be during the present shortage under a system of free enterprise operating in terms of the law of supply and demand?

Sunday Times

8/6/75

Food boards roll in money

Control brings in hoard of R200-m

By HANS STRYDOM

SOUTH AFRICA'S 22 agricultural control boards have accumulated funds totalling nearly R200-million.

They have investments and assets of more than R300-million.

They pay about R7-million annually in salaries, and their telephone bills and postage costs amount to about R235 000 a year.

These figures are contained in the annual report of the boards tabled in Parliament. They give a clear picture of a massive empire that has grown up in the agricultural sector.

The function of the boards is to stabilise the prices of agricultural products, but they have been accused by consumer bodies and sections of commerce of keeping prices artificially high.

Soaring food prices and the consumer resistance that is building up to these increases have drawn attention again to the scope and effectiveness, or otherwise, of the numerous boards.

Widespread

A Government-appointed commission of inquiry is investigating all aspects of the boards — except whether they are economical — and is expected to publish its findings before the end of the year.

The commission was appointed in 1973. It has made a thorough study of the size and efficiency of the boards.

The commission also visited Rhodesia, which has only four agricultural boards and where the price of meat and dairy products has been kept remarkably low.

According to the annual report of the Secretary for Agricultural Economics and Marketing, Dr C. van der Merwe, 83 per cent of all agricultural products is marketed through control boards.

Mixture

Apart from major boards such as the Milk, Maize, Wool and Deciduous Fruit, there are other boards such as Potato, Dry Bean, Egg, Mohair, Wheat, Oilseed, Canning, Apricot and Peach, Tobacco, Lucerne Seed, Chicory, Banana and Rooibos Tea.

According to Dr Van der Merwe's report, consideration has even been given to establishing a Canary Seed Control Board, but it was decided that the industry was too small to warrant a separate board.

Many of the boards have their own buildings; all have their own staffs.

The income of farmers reached a new record in the 1973-74 season. Gross income increased from R1 739-million to R1 924-million, an increase of R185-million.

Net income over the same period increased by R101-million to R996-million.

Owing

At the same time, Dr Van der Merwe states, the prices of farming material and equipment increased by 22 per cent, and farmers are in debt now by R1 682-million.

This is small consolation for consumers, who spent R3 314-million on

food last year, and who are called on almost daily to pay further increases.

Consumers are asking why there should be so many boards, each one with its own little "empire". Commerce objects to the "restrictive registration" practices of the boards, which licence the number of millers, butchers, etc.

This is regarded as interference by certain boards in the private sector. Commerce wants farmers to produce and private enterprise to market the products.

Chaos

Control boards look after the interests of the farmers and point to the "chaos" that prevailed before World War II, when there was overtrading and uneconomical farming.

The question is whether or not South Africa has developed a "control psychosis", and whether the emphasis should be shifted from control to marketing.

Mr Myburgh Streicher, MP, United Party spokesman on agriculture, wants an agricultural planning council to be established for the industry as a whole.

"This body should control and give guidance in all aspects of agriculture, including marketing," Mr Streicher said. "This would co-ordinate the various agricultural bodies and ensure that proper projections of future needs were made."

This forward planning would eliminate high prices in times of shortages and protect both farmer and consumer.

Increases

"The lack of proper planning is linked directly to the high cost of living," Mr Streicher said.

"The present shortage of lucerne, for instance, is due not only to climatic conditions but also the lack of planning."

"This shortage had a direct effect on the increase in the price of milk, wool, meat, eggs and chickens."

There was also no reason why there should be two control boards for milk and dairy products, and why different boards could not pool their resources for overseas publicity campaigns, instead of "going it alone".

He wants the present Government subsidy system for basic foods expanded "considerably" to enable the poor to afford what they need.

Publicity

He said that up to June, 1973, the Livestock and Meat Board had spent R376 460 on a pork publicity campaign to offset a loss of R338 603 on imported pork in 1972.

"The question is, why the pork was imported in the first place if there was no market for it?"

The Dairy Board spent R384 195 in 1973 and the Milk Board R677 246 in 1974 on advertising — but only about a year later there was a serious shortage of milk and prices started to climb steeply indicating a lack of proper forward projection.

Selling set-up 'raises prices'

Industrial Editor

Shortcomings in the food marketing system in South Africa are a significant factor in inflation, according to Mr David Lewis, president of the Johannesburg Chamber of Commerce.

Speaking at the south-western Transvaal regional congress of Assocom in Johannesburg yesterday afternoon, Mr Lewis said that there was a preponderance of producer interests on the control boards, while the boards were proliferating.

The Government was urged, through a motion to publish the findings of the commission of inquiry into the Marketing Act as soon as it becomes available — probably towards the end of the year.

FOOD PRICES

Mr Lewis said in the five-year period ending in April, food costs had increased by 68,8 percent and that of other items by 48,8 percent, showing that food prices had made a significant contribution to inflation.

For Whites the food factor was 25 percent of their budgets, but for other races it was 50 percent. This posed the social economic and security implications.

"We cannot, like Marie Antoinette, tell them to eat cake."

The control boards encourage the inefficient producer, Mr Lewis said because the fixing of prices is based on the costs of the least efficient producer.

A motion introduced by Mr G Louwrens of the Benoni Chamber of Commerce expressed concern that metrication is being enforced through legal moves, rather than through training and education.

Reference was made to the Government Notice published in October last year forbidding "dual notation" in advertising material.

Mr Louwrens and other delegates said that the public, particularly the lesser educated, would take long to get used to metrication in commerce.

In some small shops 95 percent of the customers still shop in imperial and other measures and they need at least another five years to get used to the new system.

3

1 - 1/2
2 - 1/2
3 - 1/2



Big price shocks

STAR
21/6/75
loom

Own Correspondent

CAPE TOWN — A new wave of price shocks is about to break in the wake of those which followed the autumn crop harvest and the Budget.

These threaten to be bigger than those the country has just faced, and will almost certainly involve price rises in a wide range of basic foods — eggs, sugar, bread and wheat products.

Egg producers, it was confirmed this week, have asked for an undisclosed increase, and, following the big rises in the price of other agricultural products recently — milk for instance, went up by 21.9 percent a litre — they are likely to get it.

SIGNIFICANT

Some producers estimate that the retail price of eggs could go up 2c a dozen — a significant rise for many who regard eggs as being an important source of inexpensive protein.

A warning was also given this week that sugar producers were selling almost 60 percent of their output at the controlled price in South Africa — a price which currently does not cover much more than 60 percent of production costs.

On top of this, it was established this week that the Wheat Board is to decide on October 1 what the new price of wheat should be.

INCREASE

A higher wheat price will definitely mean that bread will either go up as well, or that the Government will have to increase the bread subsidy, and that practically everything containing wheat or flour — from canned soups to biscuits — will be affected.

At the beginning of this month, there was a Government approved increase of 10 percent for glass containers. Leading users of glass containers said this week that the result would inevitably mean adjustments in the prices of literally everything bought in glass.

Shoes are to go up in price by an average of about 10 percent within the next few weeks, and

Rise in prices spiral

STAR 20/6/75

(From Page 1)

sents the vast majority of industrial users of steel, says the increase was inevitable and expected — but will not have a dramatic effect.

The ultimate effect will be long-term and diffused. Steel is not an ordinary consumer product: It is not used up constantly by the ordinary householder.

The director of the Federated Chamber of Industries, Dr H J J Reynders, said that the increase will push up the cost structure but industry had been expecting it.

It was pointed out by several authorities that the subsidisation of imported steel by the Government — in the final instance by the taxpayer — had in recent years cost the country more than R200-million.

This would be a recurring and steeply rising burden, unless the local steel industry is made viable enough to meet the country's needs at prices much lower than the international level.

(See Page 27)

SA needs to curb monopolies

Cap Time

24/6/75

→
2 Capital
2267
✓ 48 N. K. J. Lab. 16
5-26
9/313

DAVID SHRAND welcomes the appointment of a commission of inquiry on the subject.

CAPITALISM has been described as "the law of the jungle" principally because it involves economic warfare on a tooth and claw basis. Although the free enterprise system results in various irregularities and bottle necks it is a self-adjusting mechanism which ultimately operates in the interests of the consumer.

Under the capitalist system the profit motive dictates the economic trend. It is the incentive which influences entrepreneurs to take risks in the investment of their capital. This principle has been acknowledged in Russia recently, where the profit motive has been integrated into the economic system as a stimulus to increased production. Economists agree that competition which is prompted by the profit motive is the greatest incentive to production and that any check to competition lessens the aggregate production.

The economic law of demand and supply if allowed free play will ultimately iron out any irregularities that may result in the process of adjustment. One of the greatest threats to the smooth operation of the competitive system is the emergence of monopolists whose aim is to control the market by regu-

lating supply and in devious other ways holding the consumer up to ransom.

In most countries legislation has been introduced to prevent monopolists distorting the economic system. In this connection South Africa has followed suit.

In 1955 the South African Government placed on the Statute Book the Regulation of Monopolistic Conditions Act which is designed to prevent or control monopolistic conditions in South Africa. In terms of its provisions the Board of Trade and Industries is entrusted with the administration of the Act and since 1955 has undertaken various investigations, among which may be mentioned the biscuit industry, tyre manufacturers, motion pictures, electrical equipment, the liquor trade, tobacco manufacturers, the building industry and an investigation into the Central News Agency set-up.

The principle entrenched in the Regulation of Monopolistic Conditions Act is that monopolies are not in the interests of the public and that appropriate measures must be taken to excise any monopolistic growth from the economic system.

Monopolistic practices may take various forms such as arrangements among purchasers to restrict output or to maintain fixed selling prices or to prevent new entrants into the market.

Although the Government has with one hand sought to

destroy monopolies, it has with the other hand created them in violation of the principle enunciated in the Regulation of Monopolistic Conditions Act.

The Government has supported monopolistic conditions in the wine industry which is rigorously controlled. Similarly, various primary agricultural products which fall under the control of the marketing boards are in effect a monopolistic device to protect the farmers. The marketing boards are specifically excluded from the provisions of the Regulation of Monopolistic Conditions Act.

It has been estimated that primary agricultural products handled by the various marketing boards amount to at least R400m a year. This is an estimation made many years ago and today the figure will be substantially in excess of this figure. Most of the important agricultural products have been placed under control and the farmer has thus been relieved of the pressure exerted by the competitive system. The prices of these various agricultural commodities are maintained on an artificial level to enable producers to derive a greater measure of profit than would otherwise accrue to them in normal circumstances.

The Government has argued that this principle of control is essential in order to maintain orderly marketing.

Throughout the world governments have arrogated to themselves monopoly rights and South Africa is no exception. This trend is manifest in various fields of the economy. For instance, the Motor Carrier Transportation Act endows the Government with monopolistic powers over the conveyance of any person or goods on any public road by a motor vehicle. The South African Government has also created monopolies in various other fields, namely, Iscor, and similar organizations.

Apart from governmental interference in the competitive system in South Africa there are various organizations in the private sector which have achieved monopolistic status.

Take-over bids

Telltale signs that a monopolistic trend exists in South Africa are evidenced by the various mergers and take-over bids that have now become an everyday feature of South African economic life. The American Govern-

say on

5 STAR 25/6/75

prices' ③

Farming Editor

SILVERTON — The need for a well-informed consumer body in the South African economy was stressed today by Mr Chris Celliers, director of the South African Agricultural Union.

He was addressing a union symposium at Silver-ton, near Pretoria, on meat, milk, fruit and vegetable prices.

Such a body, he said, was as important as a well organised and efficient labour force and management organisations.

Mr Celliers said consumers should be able to express their criticism and make suggestions about improvement in quality and price of consumer goods through such an organisation.

He added that there was

a need for broader and more regular contacts between consumers and producers to discuss quality standards, marketing arrangements and prices and to achieve a fine balance between prices and the convenience of the housewife.

Mr Celliers said consumers saw too little of the producers and what contact there was was limited to these same 20 percent of the country's rich farmers who produce half the country's food.

There was virtually no contact with those farmers whose annual income was less than the pay of a good typist in a city.

Food in South Africa was the cheapest in the world, she said, but consumers were in the same position of the farmers who had to decide earlier this year either to accept an almost 40 percent increase in fertilizer prices or go without.

Mr Celliers said control boards had helped considerably to keep down prices of the products they controlled.

Mr Celliers said expensive packaging pushed up prices and a responsible consumers' body could do much to convince producers to use less expensive but equally efficient packaging and thus cut food costs.

Farmers 'deserve public thanks'

3

RJM
26/6/75

Staff Reporter

CONSUMERS got a tongue-lashing from farmers' organisations at the symposium on food prices organised by the Transvaal Agricultural Union in Pretoria yesterday.

The director of the South African Agricultural Union, Mr Chris Cilliers, told them they should go down on their hands and knees in gratitude to South Africa's farmers.

South African farmers were able to provide the cheapest food in the world in spite of adverse climatic conditions.

A survey showed, Mr Cilliers said, that of the world's 37 largest cities only one, Buenos Aires, had food prices lower than in Johannesburg.

In Johannesburg workers had to work only half the time to earn sufficient money to meet their food needs.

Mr Cilliers also suggested consumers should estab-

lish their own cooperatives and work closely with the agricultural cooperatives.

This could eliminate some price increases. Mr Cilliers stressed the importance of strengthening the SA Coordinating Consumer Council as a well-informed consumer organisation.

The vice-president of the Transvaal Agricultural Union, Mr D. J. Bosman, questioned the consumer's right to complain when he spent six per cent of his income on tobacco and liquor, between R8-million and R9-million a year on a particular brand of cool drink, and more on horse racing than on hospital services.

Mr Cilliers said the consumer shoe had never really pinched in South Africa.

This could be a reason why there was no direct liaison with the farming cooperatives by consumer organisations.

In Scandinavia the consumer was compelled to take self-protective steps against excessively high food prices by establishing closer contact with farmers.

Hansard Vol 15 27/1/77

Boards established in terms of Marketing Act

129. Mr. H. E. J. VAN RENSBURG asked the Minister of Agriculture:

What was the administration cost during the financial year 1974-'75 of each board established in terms of the Marketing Act.

The MINISTER OF AGRICULTURE:

	R
Potato Board	266 473
Dry Bean Board	77 310
Dried Fruit Board	133 356
Egg Control Board	594 875
Karakul Board	119 508
Cotton Board	15 669
Wheat Board	1 327 838
Lucerne Seed Control Board	26 790

Milk Board	579 875
Maize Board	2 393 897
Oilseeds Control Board	443 824
Banana Control Board	371 037
Livestock and Meat Industries Control Board	2 765 170
Canning Fruit Board	88 409
Rooibos Tea Control Board	35 264
Deciduous Fruit Board	1 091 760
Chicory Control Board	123 773
Citrus Board	1 061 700
S.A. Wool Board	883 273
Dairy Board	299 201
Mohair Board	114 153
Tobacco Board	123 182

(3) control boards

QUESTION NUMBER	ANSWER
18	
19	
20	
21	
22	
23	
24	
25	
26	
27	
28	
29	
30	
31	
32	
33	
34	
35	
36	
37	
38	
39	
40	
41	
42	
43	
44	
45	
46	
47	
48	
49	
50	
51	
52	
53	
54	
55	
56	
57	
58	
59	
60	
61	
62	
63	
64	
65	
66	
67	
68	
69	
70	
71	
72	
73	
74	
75	
76	
77	
78	
79	
80	
81	
82	
83	
84	
85	
86	
87	
88	
89	
90	
91	
92	
93	
94	
95	
96	
97	
98	
99	
100	

REPRODUCED FROM THE PARLIAMENTARY PAPER

514K 73/7/75

Farming Editor

A Meat Board survey has said the average retail butcher is definitely not making excessive profits. The Agricultural Union maintains however, that retail beef prices have not gone down in sympathy with the lower auction prices.

1 3
2 3
3 1
4 21

Mr J. C. G. Frank, assistant general manager of the Meat Board, today gave the breakdown of the average cost and profit margins of retail butchers.

But this profit is the retail butcher's gross margin 34c/kg, offset by losses in cutting up the carcasses, and by the fact that fat and bone are sold at very low prices.

If the butcher paid 96c/kg for a carcass, the less popular cuts (off the forequarter) amount to 55 percent which can be sold at about R1,80/kg.

The popular cuts (34 percent) will have to be sold for an average of R2,10/kg to make up the R1,43c/kg he needs to make a reasonable profit.

Some of these cuts like the thick flank cannot be sold for that price, and consequently the more popular cuts like the sirloin must be increased still further, the Meat Board said.

Mr Fred Lategan, general manager of the Asokor Group (a large meat distribution group) says smaller butchers make only about two percent net profit and butchers with a bigger turnover make four percent to five percent net profit.

RETAIL

Commenting on the Meat Board's figure Mr Jan van der Walt, meat official of the South African Agricultural Union, said his organisation based its case for a downward adjustment of retail prices on the official index figures.

The auction prices of beef dropped by almost 10 percent in the first five months of this year while the consumer index for beef remained virtually static, in fact it increased slightly, indicating that the retailers have failed to give the consumer the benefit of the lower auction prices.

Cape Times 25/7/75

JOHANNESBURG. — Compared with eight advanced Western economies, South Africa ranks second highest in terms of food price inflation over the period 1970-1973.

This was stated in a study published here yesterday, entitled "Implications of subsidizing foodstuffs in South Africa", undertaken by the economics department of Natal University at the request of the Associated Chambers of Commerce.

The study states that food price inflation varied from 0.30 percent a year in West Germany to 11.51 percent in the United Kingdom. In terms of food price inflation relative to

consumer price inflation, South Africa ranked fourth highest.

In France, the United States and the United Kingdom the relative rate of food prices inflation was higher.

The study found that unless the prices of basic foods were lowered by bigger State subsidies there would be "serious social and political implications". It suggested that the subsidy on butter be removed and used to cheapen the high price of

fresh milk, and that the bread subsidy be raised.

According to the study the consumer price index had risen more rapidly for Blacks and food price rises had contributed more to overall inflation for them than for other groups. This reflected the inverse relation between income level and the importance of food in the budget. The lower the income the higher the food price inflation.

This had important implications regarding income disparities in this country and meant that Black income was being eroded at a greater rate than White income and this should be taken into consideration in any programme aimed at reducing the income gap.

Urgent priority should be given by the Government to the rerouting of funds into the agricultural development of the homelands and the short-term needs of White farmers should not have exclusive State attention.

Assocom stated that although they had commissioned the study as a positive contribution to the general debate on economic policy, they did not necessarily subscribe to the views it expressed.

PRIORITY

Referring to the importance of agricultural development in underdeveloped countries, the study said that this applied to the homelands where "the past record has been dismal". The very viability of the policy of separate development was dependent on the development of these areas, making the rerouting of Government funds for this purpose a matter of top priority.

Lack of concerted consumer action was one of the reasons for food price inflation. In the USA and Britain consumer pressure had forced the lowering of prices. Such consumer action did not occur in South Africa where there was, in addition, a statutory producer majority on the control boards. Among the other reasons for food price inflation, the study cited "structural defects" in South African agriculture.

Among these were the fragmentation of the system, many boards controlling related products and the marketing of these separately. — Own Correspondent and Sapa

3 Markets Control Boards

12/3
246
242

The great egg fiasco

EGGS ARE being sold overseas at a R4 million loss for the second year running — to keep up the price to South Africans.

One in every 10 eggs produced in this country is exported at about a 50 per cent loss. And the housewife pays for it.

Europe, Japan and some Arab countries are getting these eggs — as frozen or dried products — for far less than South Africans.

Housewives pay 3 cents for every dozen eggs to subsidise this loss on exports.

Meanwhile, a Natal University survey has disclosed that among eight leading countries examined the inflation of South Africa's food prices is second only to Britain.

Experts agree the egg surplus is urgently needed to combat malnutrition and the diseases it leads to among South Africa's poverty-stricken Blacks, especially in rural areas.

The Government's bungling inefficiency in failing to control this massive surplus could lead to even greater levies on the housewife to pay for the even greater surpluses it is encouraging. Mr Warwick Webber, MP for Pietermaritzburg South, said yesterday.

The latest increase of one cent paid to the farmer for surplus production will encourage even greater production, greater losses on exports and more demands on the housewife to pay for them," he said.

This is why egg farmers do not particularly worry whether they are producing eggs economically or not, because they can dump their surplus for a guaranteed price.

The Egg Control Board says the export surplus levy prevents the domestic market collapsing through the seasonal over-supply of eggs.

The exported surplus now represents about 10 percent of production.

Last year the loss on exports neared R4 million.

This year the loss is estimated by Mr Webber as likely to pass the R4 million mark unless, as the Egg Control Board hopes, new cheaper freight rates for shipping reduce losses.

Asked why the surplus could not be diverted as cheap protein to the underprivileged, the Egg Board's general manager, Mr W. C. J. van Rensburg, said: "I would be delighted if this could be done but it is impossible because there would be no control."

"How could we prevent people buying up the cheaper eggs and then selling them at higher prices in the upper income group areas?"

Egg prices could swing seasonally from 30 cents to a rand a dozen if the market was not stabilised by absorbing the surplus.

But the Board's critics dismissed its arguments as short-sighted.

If the surplus can be paid for now by the housewife, the cost of processing and selective distribution to the needy could continue to be paid for — either by Government or the consumer of eggs at controlled prices.

No upset

Dr O. Martiny, vice chairman of Kubugani, a non-profit making organisation formed to divert surpluses to the needy which now concentrates on delivering cheap foods to the rural areas, said: "This situation represents a tremendous opportunity."

There are millions of people in the rural areas and homelands who need higher quality protein and the levy could process these eggs and deliver them there in forms that would not upset the normal market," he said.

This should be given urgent priority before we give food away to prosperous countries abroad," said Dr Martiny.

**Railmen call
for probe**
10/8/75
SUNDAY TIMES
Reporter

THE POWERFUL Western Transvaal Divisional Council of the Railway Artisans' Staff Association, which represents thousands of White workers in the Johannesburg and Vereeniging areas, has called for a "thorough investigation" of the Government-appointed control boards which administer the maize, meat, dairy and other food industries in South Africa.

SAFC F/A 2/11/72
Control Boards

THE President of the Natal Consumer Association, Mrs Dorothy Perkins, this week reiterated the call for a reduction in the number of agricultural control boards (there are 22).

She says they have accumulated funds of almost R200-million and other assets of more than R300-million — obtained from consumers who have been paying excessive prices for food and other agricultural products.

Agri - Marketing Control Board

YT

3- Control Boards

Hansard No. 1 Col. 17
29 Jan. 1976

Hansard no 1 col 17.
29 January 1976

Marketing Act: Cost of boards*

133. Mr. H. E. J. VAN RENSBURG
asked the Minister of Agriculture:

What was the total cost during the
financial year 1974-75 of each board
established in terms of the Marketing Act.

The MINISTER OF AGRICULTURE:

	R
Potato Board	266 473
Dry Bean Board	77 310
Dried Fruit Board	133 356
Egg Control Board	594 875
Karakul Board	119 508
Cotton Board	15 669
Wheat Board	1 327 838
Lucerne Seed Control Board	26 790
Milk Board	579 875
Maize Board	2 393 897
Oilseeds Control Board	443 824
Banana Control Board	371 037
Livestock and Meat Industries Control Board	2 765 170
Canning Fruit Board	88 409
Rooibos Tea Control Board	35 264
Deciduous Fruit Board	1 091 760
Chicory Control Board	123 773
Citrus Board	1 061 700
S.A. Wool Board	883 273
Dairy Board	299 201
Mohair Board	114 153
Tobacco Board	123 182

Growth of co-ops to be checked

26/3/76

STAR

An official announcement restraining the growth of co-operative societies would probably be made "in the near future," the chairman of the South African Foreign Trade Organisation, Mr Leslie Lulofs, said in an interview today.

He described agricultural control boards as "superfluous." They had too much influence and sometimes retarded enterprise and natural development.

"We who believe in private enterprise accept that some controls in the food sector are unavoidable and sometimes helpful," he said and added, "there are others that we can well do without, the control boards."

He quoted the Maize Board as an example which "will amass an amount probably exceeding R100-million," from exports and levies this year.

"Because of the magnitude of these levies charged to processors of maize, it physically prevents them from exporting on a continuous basis at competitive prices."

FOOD PROSPECTS

He said some day, "the sooner the better," these products would stand by themselves and sell on a free floor price when South Africa would be able to compete with other exporting nations.

"I know that under those circumstances our exports of beneficiated maize would increase overnight by literally millions of rands," because exporters would then be able to accept firm export commitments.

Mr Lulofs said the country's position in the world food picture was "extremely interesting

and important" as the long-term food prospects in the world "are not so good." He added that the countries "around us will need to import increasing quantities of food as time goes on."

The agricultural sector "may well play an even more important role in the years to come, than has been done in the past."

Mr Lulofs made a strong plea for a drastic cut in importations of luxury goods and goods that can be made locally and to step up exports of other goods besides agricultural products.

He said self-discipline was long overdue and felt the authorities might now attend to this.

More machinery and possibly some raw

materials should be imported to stimulate local industry.

Mr Lulofs said there had been an upturn in the world economy but South Africa has always lagged and an upturn locally "cannot be expected before mid-1977. Even then we will have to take certain other than monetary measures."

Agric - Marketing Control Boards

Call to get new impetus on farms

STAR

7/10/76

Pretoria Bureau

The organisation of farmers into a single, uniform accounting and costing system to galvanise this sector of the economy into an operating efficiency impossible to attain as individuals, has been urged by the president

of the Transvaal Agricultural Union, Mr Jaap Wilkens.

His idea is supported in principle by the president of the South African Council of the Institute of Cost and Management Accountants, Mr E Glisck, who said in a statement that scientifically based the scheme would benefit not

only farmers but the whole country.

Mr Wilkens made his plea in opening a symposium at Potchefstroom on farming management and production planning.

He said modern book-keeping was vital to efficient farming, but if a farmer's system was to be of any use in pinpointing weak sectors in his opera-

tion, it had to be comparable with that of other farmers.

Mr Wilkens supported a plea by the director of the South African Agricultural Union, Mr Chris Cilliers, for 5 000 farmers to come forward and form a permanent sample group from which the Department of Agricultural Economics and Marketing could extract figures on which to base averages.

Individual farmers would supply the department with their own figures, which would be kept confidential.

They would then be given a comparison with other farmers on average, from which areas within their own operation which were less efficient would become obvious.

BENEFIT

The benefit lay in greater productivity.

It would enable the contribution of agriculture to the national economy to be measured and planned on a more reasonable basis than the unscientific and totally arbitrary basis, for example provided by the requirement of the anti-inflation manifesto that 30 percent of all price increases be absorbed.

Control boards inefficient, say economists

Cape Times
2/11/76

Staff Reporter

SOUTH AFRICA'S whole system of control boards for agricultural produce should be overhauled because the boards stifle competition and do not promote efficiency, according to Cape Town economists.

At present there are 22 control boards which cover a wide range of products from chicory and rooibos tea to bananas and dairy products.

In the deciduous fruit industry there are three distinct boards which control

aspects of the same industry. They are the Deciduous Fruit Board, the Dried Fruit Board and the Canning Fruit Board with headquarters in Cape Town, Wellington and Paarl.

Professor Z. S. A. Gurzynski, the director of the School of Economics at the University of Cape Town, said control boards were not used as extensively overseas as they were in South Africa.

"Control boards stifle competition, protect the producers and they do not promote efficiency," he said.

Agricultural products which did not fall under the boards were managed much more efficiently.

Dr M. Kabat, a senior lecturer in the Department of Business Science at UCT, described the control boards as very cumbersome and said they opened the way for too much Government interference.

The 22 boards control the following agricultural products: chicory, dry beans, lucerne seed, maize, oilseeds, canning fruit, potatoes, rooibos tea, tobacco, wheat, bananas, citrus fruit, deciduous fruit, dried fruit, dairy products (except milk), eggs, livestock and meat, milk, mohair, wool, swakara (karakul) and cotton.

Farm pricing under fire

F.M. 17/12/76

Control boards

Setting prices for agricultural products is a controversial issue. Some ideas on how it could be improved

The recent storm over butter has generated an unprecedented flood of criticism of agricultural policy.

Mainly, it's the control boards which have come in for a pounding. Some critics would like to see a return to free marketing. Others, conscious of the fact that every country has some form of stabilisation measures, would simply like the boards to keep pricing more in touch with market forces.

The basic problem is that the supply of farm products is relatively insensitive to

price changes in the short run, because of the weather. And SA's weather is more unstable than most. The time-honoured economic theory that supply will balance demand if the price is right is true in the long run.

Moreover, if prices fall and farmers' incomes are threatened, each farmer endeavours to increase his income by planting a larger acreage (or increasing his flock). This only aggravates the situation and brings prices down still more. The free market solution to this dilemma

— that the less efficient farmers should be allowed to go to the wall, thus reducing total output — is often frustrated by government policies aimed at protecting the agricultural sector as a whole.

The question, then, is really whether government's over-riding policies are on the right lines, and whether farmers are over-protected?

The broad policy followed in SA is to aim for self-sufficiency in *bad* years, which means that there will be surpluses to be disposed of by exports or other

means, in good years. The alternative would be to aim for self-sufficiency in *good* years, and to rely on imports in bad.

Since our food prices are among the lowest in the world, and the cost of transport is high, there can be little doubt which is the best.

The control board system and price policies have two objectives:

- To stabilise prices (see graph — vegetable prices are not controlled) and thus prevent "stop-go" production patterns with all the instability they involve; and
- To reduce the gap between what the producer gets and what the consumer pays.

In both they claim to have had considerable success since the introduction of the Marketing Act in 1937.

There are now 22 control boards and three price systems:

- Single-channel fixed price (maize, wheat and dairy products);
- Single-channel pool (dried fruit, tobacco, citrus, chicory, lucerne seed, oilseeds, rooibos tea, fresh milk, bananas, mohair and wool); and
- Surplus removal and floor prices (meat, potatoes, eggs, dried beans).

For canning fruit and cotton there are "supervisory schemes", and for karakul pelts a "publicity scheme". Vegetables are one of the few products not controlled at all and their prices fluctuate widely.

Under the *single-channel pool* system, farmers receive an advance payment, and at the end of the season the proceeds of the "pool" are paid out *pro rata*.

Under the *floor price* system, the board buys in at a fixed minimum price if the market falls below that level. This comes closest to a free marketing system. Distribution is in the hands of the trade.

The *fixed price* schemes are most open to criticism. They are furthest removed from normal market influences. Fixed prices were chosen for maize, wheat and dairy products because these are the three that have large government subsidies and Pretoria wanted control over prices and proceeds. For instance, in years when there are large export profits, maize farmers do not automatically receive all the profits, as they would under the pool scheme. Some money is retained in the Stabilisation Fund for use when times are bad, or for subsidising consumers.

The other advantage is the stabilising of prices for both producers and consumers.

But there is one main disadvantage: they tend to protect the inefficient producer. The maize industry is hardly a model of efficiency. Yields are low compared with the US, or even Rhodesia, and about 20% of the farmers produce some 80% of the crop. Yet prices, at least in the past, were fixed at levels that helped

to keep these inefficient farmers, usually farming on areas that were too small, in production.

On these grounds, therefore, it might appear that a case can be made out for a return to a free market, which would send the inefficient to the wall, the argument being that free competition helps to keep prices down, and therefore leads to maximum efficiency. With a free price system it would also be possible to have a "futures" market, which would help to smooth out short-term fluctuations. A futures market is not possible with fixed prices.

However, there would be serious problems. Minister of Agriculture Hendrik Schoeman tells the *FM* that if fixed prices for maize were abolished, and farmers were allowed to get, and consumers were obliged to pay, the world price for maize today, the CoL for the poor man would rocket by as much as 30%. Prices of meat and broilers would go up too.

The consumer price of maize is R59/t; the producers' R65/t. Average export prices during the period March-June this

(protein and bacteriological). And the Marketing Commission of 1976 recommended the fixing of *minimum* producer prices, instead of absolutely fixed prices for milk and butter fat.

The Bonsma proposals are gradually being implemented. Fresh milk is already being sold on a protein basis, and the Dairy Board is now introducing a bacteriological basis. The effect will be to discourage the production of cream for butter, and to encourage the production of industrial milk. Many dairy farmers have already switched, as prices for industrial milk are now more remunerative, while levies on cream are a disincentive.

Fixed minimum prices would overcome the present unfair situation whereby co-operatives can supplement their payments to producers with bonuses, while private companies are only allowed to pay the fixed prices.

It is six months since the Commission's report was published. Now is the time for action — which should include the amalgamation of the Dairy Board and the Milk Board (as the Commission



Butter . . . nobody's creaming it off these days

year were R112,54 for white and R107,14 for yellow.

At present, therefore, fixed prices are definitely to the advantage of consumers. Farmers would doubtless love to get the world price, and the inefficient would be even more encouraged to stay on than with today's fixed prices.

In the dairy industry the situation is quite different, and there is a move away from absolutely fixed prices. The Dairy Board is working on two sets of price proposals (not mutually exclusive). The Bonsma Commission of Inquiry into the industry (1969) recommended that all milk should be sold on a quality basis

recommended).

A major flaw in the present system is lack of co-ordination in fixing the relative prices of various farm products. The Commission made recommendations for a stronger National Marketing Council (on which consumers and distributors should have strong representation) which would help to overcome this. But it is now being questioned whether the proposed eight-member Council of two producers and six professional people (economists) is the right "mix". Surely manufacturers, retailers and consumers should be represented?

However, the brunt of the criticism,

Hansard Vol 15 27/1/77

Boards established in terms of Marketing Act

129. Mr. H. E. J. VAN RENSBURG asked the Minister of Agriculture:

What was the administration cost during the financial year 1974-'75 of each board established in terms of the Marketing Act.

The MINISTER OF AGRICULTURE:

	R
Potato Board	266 473
Dry Bean Board	77 310
Dried Fruit Board	133 356
Egg Control Board	594 875
Karakul Board	119 508
Cotton Board	15 669
Wheat Board	1 327 838
Lucerne Seed Control Board	26 790

Milk Board	579 875
Maize Board	2 393 897
Oilseeds Control Board	443 824
Banana Control Board	371 037
Livestock and Meat Industries Control Board	2 765 170
Canning Fruit Board	88 409
Rooibos Tea Control Board	35 264
Deciduous Fruit Board	1 091 760
Chicory Control Board	123 773
Citrus Board	1 061 700
S.A. Wool Board	883 273
Dairy Board	299 201
Mohair Board	114 153
Tobacco Board	123 182

(3) control boards

QUESTION NUMBER	ANSWER
18	
19	
20	
21	
22	
23	
24	
25	
26	
27	
28	
29	
30	
31	
32	
33	
34	
35	
36	
37	
38	
39	
40	
41	
42	
43	
44	
45	
46	
47	
48	
49	
50	
51	
52	
53	
54	
55	
56	
57	
58	
59	
60	
61	
62	
63	
64	
65	
66	
67	
68	
69	
70	
71	
72	
73	
74	
75	
76	
77	
78	
79	
80	
81	
82	
83	
84	
85	
86	
87	
88	
89	
90	
91	
92	
93	
94	
95	
96	
97	
98	
99	
100	

QUESTIONS FOR THE MINISTER OF AGRICULTURE

SIZE GROUP (HECTARE)	ECONOMIC REGION									
	46		47		48		49		50	
	No.	Area	No.	Area	No.	Area	No.	Area	No.	Area
10	1,9	-	8	-	-	-	2	-	-	-
20	4,9	32	45	32	-	-	1	7	-	7
50	9,9	867	55	867	-	-	1	9	-	9
100	19,9	1 334	65	1 334	-	-	8	299	-	299
200	49,9	11 912	194	11 912	-	-	98	7 706	-	7 706
300	99,9	24 265	219	24 265	-	-	88	13 034	-	13 034
400	199	64 503	477	64 503	-	-	139	33 833	-	33 833
500	299	81 349	509	81 349	-	-	189	74 079	-	74 079
1 000	499	233 187	888	233 187	-	-	328	236 770	-	236 770
2 000	999	613 078	942	613 078	-	-	198	275 879	-	275 879
5 000	1 999	934 423	422	934 423	-	-	86	274 046	-	274 046
10 000	4 999	1 206 500	124	1 206 500	-	-	6	43 868	-	43 868
OVER	9 999	471 806	9	471 806	-	-	-	-	-	-
TOTAL	10 000	3 979 156	3 960	3 979 156	-	-	-	-	-	-
		4 288	3 960	2 254 061	1 480	520 754	2 727	1 255 634	1 143	959 530

Marketing Act X
 374. Mr. T. ARONSON asked the Minister of Agriculture:

What was the total cost of each board established in terms of the Marketing Act for the financial year 1975-76.

The MINISTER OF AGRICULTURE:

	R
Banana Control Board	375 931
Canning Fruit Board	93 248
Chicory Control Board	197 129
Citrus Board	1 457 707
Cotton Board	44 070
Dairy Board	365 108
Deciduous Fruit Board	2 436 751
Dried Fruit Board	75 306
Dry Bean Board	89 535*
Egg Control Board	716 273
Karakul Board	244 151**
Livestock and Meat Industries Control Board	2 902 929
Lucerne Seed Control Board	27 996
Maize Board	2 565 955
Milk Board	700 942
Mohair Board	116 371
Oilseeds Control Board	549 957
Potato Board	346 404
Rooibos Tea Control Board	42 408
South African Wool Board	872 045
Tobacco Board	108 261
Wheat Board	1 418 572

*Preliminary
 **Estimate

350 4
 52 7
 40 321

Haysard Lp
 col 358
 15/2/77

3
 general
 control
 boards

[Handwritten signature]
3

<u>Academic Week No.</u>	<u>Week beginning</u>	<u>Subject</u>
15	13.6.77	King and Parliament - constitutional conflict in 17th C England. <u>Reading:</u> Rowen, c.11, pp. 433-448.
<u>MID-YEAR VACATION</u>		
16	18.7.77	Cabinet, parties and Prime Ministers in 18th century England - shifting centres of political power. <u>Reading:</u> Rowen, pp.448-464.
17	25.7.77	How absolute was Louis XIV? - an examination of the shortcomings of historical labels. <u>Reading:</u> Rowen, c.17.
18	1.8.77	"Political alliances in the 18th century were determined by personal ambition." Consider this view of 18th century diplomacy. <u>Reading:</u> Rowen, pp. 460-464, 488-492, 495-502, 513-516, 537-558.
19	8.8.77	How enlightened were the enlightened despots? <u>Reading:</u> Rowen, pp.493-512, 513-536.
20	15.8.77	How many revolutions were there in the French Revolution? - an examination of the complexity in history. <u>Reading:</u> Rowen, c.28.
21	22.8.77	in history. 9.

DAIRY DS 25/2/77

22 boards
cost R15,7 m

CAPE TOWN — South Africa's 22 agricultural control boards cost a total of R15,7 million during the 1975/6 financial year.

This was revealed in the Assembly yesterday when the Minister of Agriculture, Mr Schoeman, replied to a question tabled by Mr Theo Aronson (IUP, Walmer).

The most expensive boards were the Livestock and Meat Industries Control Board (R2,9 million), Maize Board (R2,6 million), Deciduous Fruit Board (R2,4 million), Citrus Board (R1,5 million) and Wheat Board (R1,4 million).

The cheapest were the Lucerne Seed Control Board (R27,996), Rooibos Tea Control Board (R42,408) and Cotton Board (R44,070). — PC.

FM MAIL 20/5/77

3 - Control boards

Agricultural milestone

The amendments to the Marketing Act (this page) mark a milestone in agriculture. This week the FM asked Minister of Agriculture, Hendrik Schoeman for his views on the Act, and some of the problems agriculture is facing.

FM: What do you see as the biggest problem facing agriculture today?

Schoeman: A shortage of consumer buying power. I find that the housewife has to pay for certain essentials like rent, light, water, TV, etc. and with no salary increases she is forced to cut down on food. There has been a drop in milk consumption of 7%, eggs, 4% and red meat 8%. Meanwhile, the farmer says cost increases are about 16% due to diesel, fuel, fertilisers, rail way tariffs, labour, electricity, etc. How can you increase prices if there's a drop in consumption? It's a kind of depression, and to keep farmers in production, even with good years and rain, is not easy.

Are many leaving?

Last year we lost 2 000.

Do you consider that's good or bad?

I think it's going too far now. In SA, with our multiracial set-up we can never do what the Australians said: "Get bigger, get better or get out"!

What about the Commission of Inquiry into Rural Reform?

This is still being studied. It's an in-depth study, and varies a lot from district to district — in one there are 80% uneconomic units. But to implement most of the Commission's recommendations will cost a lot of money.

What about blacks on the platteland?

We can't afford to lose more white farmers. Over 3m blacks are staying on white farms today. Where can they go before the Homelands are developed to accommodate them?

What progress is being made with white farmers developing agriculture in the Homelands?

In a few places white farmers have started helping blacks in a practical way by ploughing and then teaching them to fertilise correctly, use the right hybrid seed, etc. and this year they expect record crops. But it will take years for them to become agriculturally oriented. It's traditional for women to work on the land, while the men hunt and tend cattle. Then men are just not keen to work on farms. They want to work in factories and cities where the pay is better. This problem is not peculiar to SA. It is found in under-developed countries

everywhere.

Is the new Marketing Act a radical enough overhaul of the marketing system?

For the present I'm satisfied. There are still things for the future. But I shall have more powers. This will be helpful in determining prices.

It could be easier for free enterprise to come in because there may be fewer restrictions. For instance, we are still considering easing restrictions on the registration of bakers, millers and butchers. But there are problems: cutting the price of bread to 4c a loaf as in the Peninsula at the moment is not



Schoeman . . . stemming the exodus from the land

a healthy thing. The big company which is cutting prices like that is diversified into milling, concentrated stock feed, poultry, eggs and baking, and what it loses on the swings it picks up on the roundabouts. But the individual bakery can't compete.

Presumably your first job will be to set up the new National Marketing Council. Have you chosen the people yet?

Salaries are one of our big problems. I'm busy looking for men with an economic background, who are also practical.

What do you intend to do about the "planning conference"?

We are paying attention to it. It's essential, especially for the long-term, to get the views of all the people concerned. We may have a conference before the end of the year — as soon as possible.

MARKETING BILL *FIN. MAIL*
A stronger NMC *20/5/77*

3 - Control Boards

Minister of Agriculture Hendrik Schoeman is to be congratulated on the speed with which the Marketing Amendment Bill has been published — just a year after the Commission of Inquiry reported (*FM* May 14 1976). An overhaul of the marketing system was overdue: the original Act is 30 years old.

Although they do not all appear in this Bill (and will not meet with everyone's approval) the *FM* understands that most of the Commission's recommendations have been accepted in principle. Some do not require legislation. The Bill also contains a few "tidying-up" points which were not in the Commission's recommendations. The Minister's powers will be considerably strengthened.

The main provisions:

- The National Marketing Council

Financial Mail May 20 1977

(NMC) is to be increased from six to eight members, to be appointed by the Minister (not the State President). Either the chairman or the deputy chairman will be an officer of the Department of Economics and Marketing, but the Bill does not specify (as the Commission recommended) that six should necessarily be economists, so Schoeman will be free to hand-pick his men (provision is already being made through the Public Service Commission to strengthen the NMC's staff).

- The Consumer Advisory Committee is to be abolished, but consumers' representation on the control boards is to be retained. It was apparently felt that now that there is the Co-ordinating Consumer Council, a second body is not necessary.

- The control boards' numbers are to be reduced from as many as 24 to a maximum of 13 (the Commission recom-

mended 11), to be appointed by the Minister. At present he has to appoint whomever the interested group nominates.

- Prices: If the Minister does not approve the price which a control board recommends, he will in future consult the NMC and the control board, and finally have power to determine the price himself.

- If a control board refuses to exercise a particular power which it has, the Minister can order it to do so — eg whether a board should collect a levy or not.

- An important new provision is that the Minister is given power to collect a general levy on any product to be used for financing some of the expenditure of the SA Agricultural Union.

Two important recommendations are not mentioned. First, that the NMC and the Co-ordinating Consumer Council should meet once a year, and second that

there should be an annual or bi-annual conference, under the NMC, to include the agricultural departments, boards, SAAU, the Co-ordinating Consumer Council, Land Bank and the Departments of Planning and the Environment, Commerce and Industries. This would look at production, world trends, marketing, etc, and would provide the boards with guidelines on which to plan. In other words it would do the sort of co-ordinated forward planning which has been so badly lacking up to now.

Apparently it was felt that these are matters of policy, not legislation. Schoeman is expected to give his views when the Bill has its second reading.

The kingpin in the whole set up is, as it was always intended to be, the NMC. Its functions remain unchanged. Essentially it is an advisory body with wide powers to investigate and vet the

boards' activities. The trouble has not been that its powers were insufficient, but that it was never strong enough. To be effective it must, besides having an adequate staff, be composed of top-notch men. But, restricted as he is to civil servants' rates of pay, how and where is Schoeman going to find them? This is the plan's Achilles heel.

In any case, this should not be regarded as the last word on marketing. If the NMC does its job properly, it is to be expected that it will recommend further changes when it sees how these ones are working.

CONTROL BOARDS COME UNDER FIRE

By David Albino

IN the wake of this week's cheese and butter price rise 'debacle' South Africa's control board system has again come under fire from agriculture and consumer spokesmen.

The boards and their operations were attacked for being:

● Out of touch with modern marketing methods.

● Preoccupied with producers rather than consumers.

● Involved in bureaucratic empire building.

● Pawns of the State.

Investigations by Weekend Argus this week showed that nearly all the food grown in the country falls under the control of South Africa's 22 boards.

Directly or indirectly the boards cost the country about R70-million a year according to their latest available financial statements.

LEVIES

This figure is made up of levies paid to farmers — costs which must inevitably be passed on to consumers — of about R52-million and administration costs of around R18-million.

The boards' funds and assets total almost R500-million.

The boards have far-reaching powers. They can — among other things — force farmers to sell to the board only, fix absolute maximum prices and prevent people not registered with a board from selling or manufacturing a product.

Consumers have little or no say in decisions by control boards. They are outnumbered by 14 to one on the boards which consist largely of farmers.

This position is unlikely to change. The Commission of Inquiry into the

They cost SA

R70-m a year

Marketing Act has recommended that no consumers should be represented on the boards but the Government has rejected this.

MARKETING

Mr Warwick Webber, United Party MP and agricultural spokesman, said in an interview that while many boards were doing a good job 'some need to become more marketing orientated.'

Mr Webber, who demanded in Parliament this week the dismissal of the Dairy Board for 'total incompetence' said many boards' preoccupation with the interests of agriculture 'must be overcome.'

He went on: 'I'm satisfied it is not the system or the scheme which is at fault, but the administration of certain boards.'

'I pointed out in Parliament that those involved have outlived their usefulness and become stereotyped. What is needed is new blood and new ideas.'

Mr Webber added that boards, in spite of their name, were not intended to control 'but to market products. They are falling down in this aspect and are building empires.'

He questioned why, for example, the Citrus Board could do 'a first class job'

while the Dairy Board could not.

Mr Eugene Roelofse, SA Council of Churches Ombudsman, said that as a representative of consumers he felt there was 'no justification at all' for control boards.

'But if we have to have them I can't see why there can't be fewer.'

He said the three main weaknesses of control boards were:

● The lack of proper consumer representation on boards.

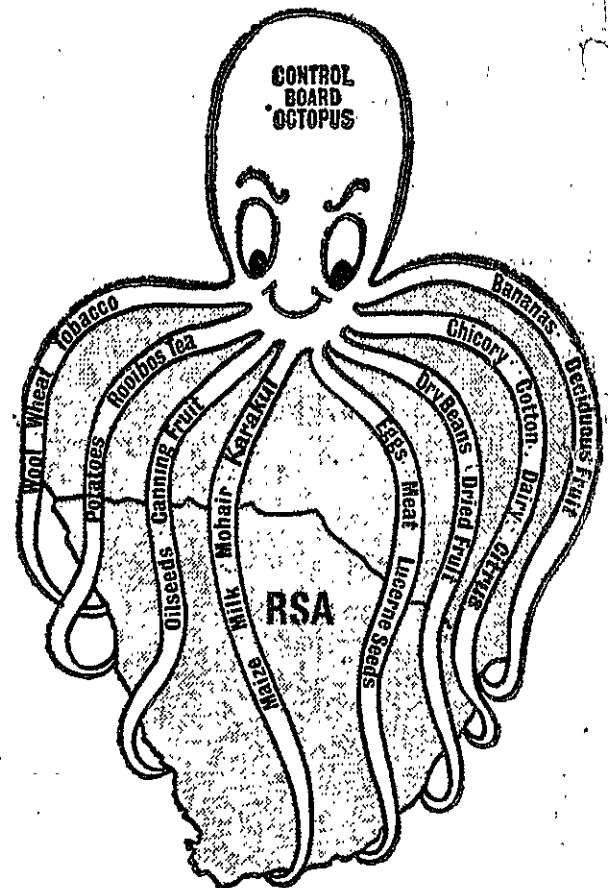
● That the boards look after producers not consumers.

● That members did not disclose their vested interests 'which can lead to a conflict of interests in decisions.'

VESTED INTERESTS

Mr Roelofse said the possibility of a 'conflict of interests' was always present at board meetings. 'Board members should disclose their vested interests every year. For example, a member of the Maize Board who is a maize farmer will be inclined to ensure decisions look after his interests.'

Control boards had become bureaucratic empires at their worst. Staff treat the secretary with great abjectness and the boards go out of their way not to embarrass the Minister.



'As a result the Government may not get information it is entitled to. The boards may develop into bearers of good tidings only.'

Professor W. E. Kassier, University of Stellenbosch agricultural economist, said one of the main problems of control boards were that they were operating under a system 'designed for conditions in the late 1930s.'

DISAPPOINTING

'Their functions have remained the same although conditions have changed. And the commission of inquiry was disappointing in that it produced no real concrete changes.'

Professor Kassier said the boards were originally introduced as a stabilising influence on agriculture after the depression.

'But what people want now is flexibility. Instead the boards are regimented and bureaucratic.'

The boards had become 'pawns of the State' because in the final analysis any decision was made by the Cabinet although on a board recommendation.

'It is the system which is wrong. The question arises as to who advises the Minister? The Marketing Council consists of civil servants who are not generally considered to be progressive thinkers,' said Professor Kassier.

Sun. Expt.
Cocoa 17/7/77
hots up



3-Cocoa

IN A better week for all commodities, it was cocoa which provided most excitement.

September cocoa shot up from last week's £2 780 to £3 047 mid-morning on Friday and it is expected to open at £3 100 on Monday. The reason for the sudden appreciation in the cocoa price is that there is a physical shortage and considerable interest in the commodity.

The cocoa price has moved in a narrow range of late and following this week's move, the speculators have climbed in lock, stock and barrel. The price stormed through its all-time high of £2 949 recorded in May this year and is almost three times the £1 246 price of a year ago.

Riding on the back of gold, silver moved 8p higher to 271p (three months). As there is no gold futures market in London, the speculators trade in silver when wanting to take advantage of movements in the gold price.

There is no fresh news on the copper front and the price traded around £745 (three months) this week. The price of copper in non-dollar and non-deutsche mark terms hit its low of 14 years because of the conversion rates declining.

Sugar which has been oversold in recent weeks recovered slightly this week

For the information of the Faculty Office

PREFERENCE	1
1	9
2	4
3	3
4	11
5	4
6	13

A full minute of the due course.

5 August 1977

Sun. Exp. Business 31/7/77

Coffee and cocoa move



THE commodity markets were quieter this week although there were large price movements in both the cocoa and coffee markets.

Metals continue to drift and chart indications are not good. Tin and silver stand out as the exceptions and are shining brightly.

Copper as usual attracted most attention falling £15 this week to settle at £722 (three months). Chartists believe copper will break £700 shortly but in sterling terms, it is cheap. This cheapness has attracted German buying but the volume remains small.

It was exactly a year ago that copper began its reverse at which point three month copper stood at £937. Copper's all-time high, £1294 (three months) was achieved in May 1974.

There was a big sell-off this week in soft commodity, cocoa. The selling was prompted by a lack of buying and this week September cocoa hit £2 660.

This is some £300 off last week's close and the market seems to be taking note of the fall in consumption and talks of cocoa substitutes.

Next week's movement could well be affected by Friday's news of crop disease in Brazil and the fact that Ghana is rumoured to be experiencing crop problems.

The coffee price on the other hand, bound up £500 this week to £2 600 (September) and broke through its downtrend. Brokers still expect coffee to soar through the £4 500 level before the year-end as they cannot see any further news to upset the market.

3- Coffee & Cocoa

has been prepared by

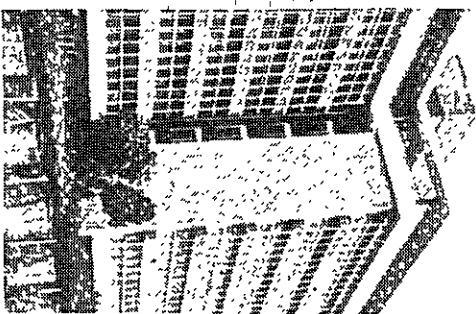
	TOTAL VOTES CAST FOR EACH OPTION	POINTS
6		
8	27	99
2	29	106
3	25	87
0	35	163
3	24	88
3	30	143

d to all members in

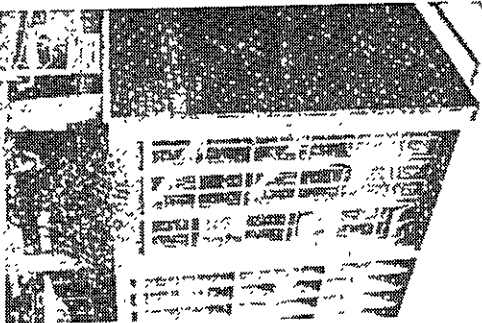
(Prof.) A.H.R.E. PAAP
Dean, Faculty of Arts

3) *central records*

Hier reël rade al die pryse



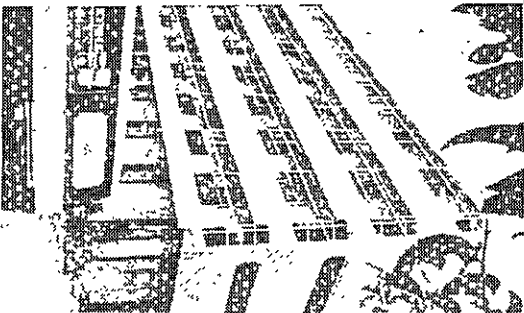
Die Melieraad.



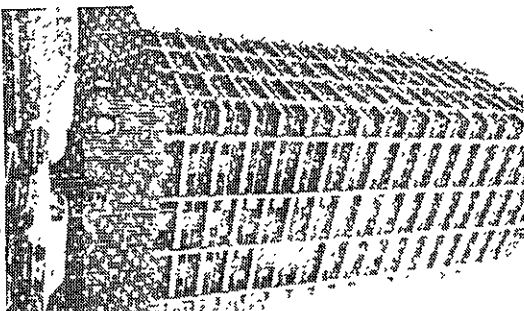
Die Olesade-Beheerraad



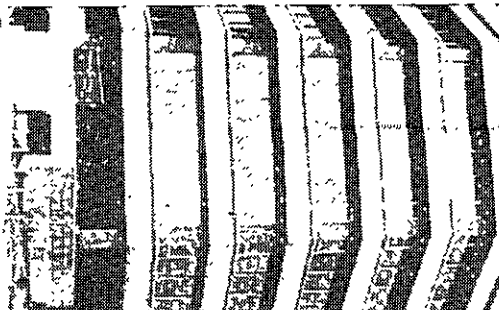
Die Tabakraad.



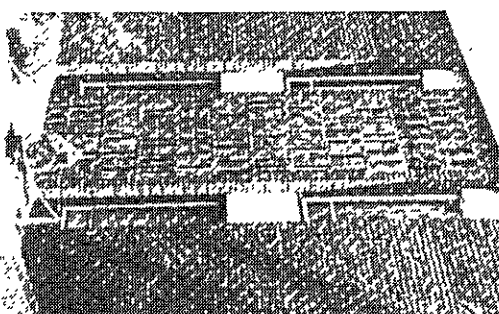
Die Melkraad.



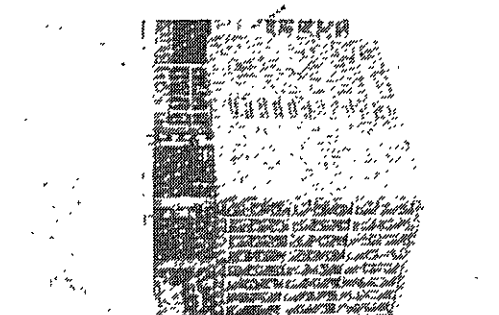
Die Woltraad.



Die Abbattoir-korporasie.



Die Droëboneraad.



Die Vleistraad.

Deur MARTIN WELZ

SUID-AFRIKA se 22 landbou-beheerrade is onder die vergrootglas — en so ook hul reuse kantoorgeboue in Pretoria. Van die boere se kant is vandeeweek gevra dat die ongunstige beeld van die beheerraad-stelsel reggestel word.

Byna 90 persent van die gaan dat produsentepryse land se landbouprodukte se amper verdubbel het, sê word deur hierdie rade beheer. So doeltreffend het hulle die afgelope vyf jaar te werk ge-

afgelope vyf jaar vir vleis- en suiwelprodukte gekry het, het ook byna verdubbel terwyl hulle in die voorafgaande vyf jaar onveranderd gebly het.

Die gevolg is dat die pryse van sekere produkte so gestyg het dat verbruikers nou weerstand bied, sê prof. Leon Weyers, voorsitter van die Verbruikersraad. Die kaas-fasiko en nou die surplus duur vleis is tekens daarvan.

Die beheerrade — van vleis- en suiwelprodukte tot piasangs en droë bone — het magtige organisasies geword met groot kantoorgeboue, die meeste binne 'n halwe kilometer van die Uniegebou in Pretoria.

Dit is behalwe die magtige SA Landbou-unie (met plaasvervangers — margarien pleks van botter, eierspleks van kaas, en so meer. Nou keel die verskillende rade mekaar op en daar is sprake dat hulle gesamentlik hul pryse wil koördineer.

Die publiek het ook oor geslaan na goedkoper plaasvervangers — margarien pleks van botter, eierspleks van kaas, en so meer. Nou keel die verskillende rade mekaar op en daar is sprake dat hulle gesamentlik hul pryse wil koördineer.

na die Landbousektor se belangte omsien. Daarteenoor sit die Verbruikersraad met 'n jaarlikse begroting van net R136 000 en 'n voltydse personeel van nege wat na al die verbruikers moet omsien.

„Die enkeles van ons wat uit liëddadigheid die werk probeer doen en in die rade sitting het, kan ook maar wegby, want ons het geen professionele steun wat so noodsaaklik is om 'n bydrae te lewer nie.

their attendance at Mass and at classes during their preparation and to continue to do so after they have been confirmed. In this way you will be able to influence them to become regular and faithful members of Christ's Church.

„Ons maak ons net belangrik. Elke keer as 'n nuwe prysstygting aangekondig word, bel die publiek en die pers ons en vra: 'Wat nou?' Dan weet ons nie.

„Ons het jare lank vir verteenwoordiging namens die verbruikers in al die rade gevra, maar onder die huidige omstandighede kan ons net so goed van die rade se vergaderings weg-

„Ons het jare lank vir verteenwoordiging namens die verbruikers in al die rade gevra, maar onder die huidige omstandighede kan ons net so goed van die rade se vergaderings weg-

„Ons het jare lank vir verteenwoordiging namens die verbruikers in al die rade gevra, maar onder die huidige omstandighede kan ons net so goed van die rade se vergaderings weg-

„Ons het jare lank vir verteenwoordiging namens die verbruikers in al die rade gevra, maar onder die huidige omstandighede kan ons net so goed van die rade se vergaderings weg-

„Ons het jare lank vir verteenwoordiging namens die verbruikers in al die rade gevra, maar onder die huidige omstandighede kan ons net so goed van die rade se vergaderings weg-

„Ons het jare lank vir verteenwoordiging namens die verbruikers in al die rade gevra, maar onder die huidige omstandighede kan ons net so goed van die rade se vergaderings weg-

Boere vra beter beeld vir 22 rade

rade

UNIVERSI

(WITH WHIC

TELEGRAMS
'UNIVERSITY RONDEBOSCH'
TELEPHONE 69-4351

ADMINISTRATIVE O

3-CONTROL BOARD

Where meat costs half what you usually pay

JOHANNESBURG people can buy their meat at half price if they are prepared to travel 100 kilometres.

This has emerged from a Sunday Express survey city and country butcheries.

Prices at some country butcheries were 12% higher than in Johannesburg, at others 75% lower.

The survey covered 11 butchers in the Transvaal.

Butcheries in the Johannesburg area represented a cross-section of suburbs.

Price comparisons revealed the greatest differences in the prices of high grade steak. There was a 75% difference in the price quoted for a kilogram of steak by a Hillbrow butcher compared with that at a Stilfontein butchery.

Stilfontein seems to be the place to buy meat. Meat there, overall, was 50% cheaper than at the Malvern Butchery, the cheapest butchery canvassed in Johannesburg.

Commenting on the results of the survey, Mrs Toni Frere, national secretary of

the Housewives League, said country butchers did not fall under the Meat Control Board.

The Meat Control Board announced last Wednesday a 8% decrease in the floor price of meat. Despite that, however, the price of meat at retailers had not dropped because "wholesalers appeared to have sufficient stocks to sell to the retailers at the old price", she said.

That meant there was no price decrease for the Christmas period.

Mrs Frere said a Housewives League survey in Randburg showed a 20.3% increase in the price of meat between December 1 and December 22 at one butcher.

"We are convinced the price rises artificially during the Christmas period," she said.

"There is always a demand for high grade beef at Christmas, so the shortage should have been foreseen.

"Now the Meat Board is relying on reduced demand to bring down the price of meat after Christmas."

HOW THEY COMPARE

BUTCHERY	Steak — price per kg, first grade	Mince — price per kg — first grade	Chops — price per kg, first grade
Kinross	2,80	2,50	1,95
Marble Hall	2,50	2,00	2,30
Machadodorp	2,40	1,60	2,40
Stilfontein	2,00	1,50	2,15
Standerton	2,50	2,20	2,20
City Butchery, Johannesburg	3,00	2,00	3,00
Blairgowrie	3,60	1,90	2,80
Doornfontein	2,90	2,20	2,36
Northcliff	3,60	1,98	2,80
Malvern	2,90	1,80	2,80
Select Butchery			
Hillbrow	3,80	2,00	3,90

it,

res

ding,

arsity

will

addressed

and

1978".

ment

ore

ients

bury

/or

t, while

n order

Vleissubsidie dalk

③ Control boards

Sake-Rapport 13/11/77

gestaak

Deur ALPHONS DU TOIT
DIE plan van die Vleisraad om die afset van beesvleis aan te moedig en terselfder tyd die prys te verlaag, is 'n reuse-sukses.

Sedert die instelling van die plan en die nuwe laer vloerprys ses weke gelede, is 20 000 meer beeskarkasse landwyd verkoop.

Só sê dr. Jan Lombard, adjunk-hoofbestuurder van die Vleisraad. Hy het aan Sake-RAPPORT gesê dat hy uiters tevrede is met die verloop van sake.

Volgens dr. Lombard het die Vleisraad sowat 18 kleinhandelslaghuise in die Witwatersrand gemonitor. „In die eerste week het die verbruikersprys van die beste grade beesvleis met

gemiddeld 10. persent gedaal. Op die oomblik is die kleinhandelprys van die beter grade beesvleis ongeveer 7 persent goedkoper,” het dr. Lombard gesê.

Hy verwag dat die voorsiening van beesvleis goed sal bly tot minstens die einde van Desember. Maar vir die verbruikers het hy 'n woord van waarskuwing.

„Weens die seisoenale groter vraag kan daar verwag word dat pryse teen die einde November en gedurende Desember sal opbe-

weeg. Kopers behoort die geleentheid te gebruik en hul vrieskaste nou vol te pak,” het dr. Lombard gesê.

Die bedryfsbeaampte (vleis) van die Suid-Afrikaanse Landbou-Unie, mnr. Jan van der Walt, het ook aan Sake-RAPPORT gesê dat die gemiddelde verkope van beeskarkasse beslis hoër is. Die aankope van die Vleisraad kragtens die vloerprys het ook afgeneem, terwyl die voorrade van die Vleisraad ook aan-

sienlik gedaal het.

Mnr. Van der Walt meen ook dat die dae van die goedkoper beesvleis van korte duur gaan wees. Die vraag is steeds baie hoog en sal na verwagting nog styg. In die laaste week van Oktober, byvoorbeeld, is sowat 24 000 karkasse verkoop. Dit word algemeen verwag dat dié syfer in die komende weke oorskry sal word.

Een ding is baie duidelik. Die verwagte groter vraag sal beslis tot gevolg hê dat pryse sal opbeweeg. Die boodskap aan verbruikers is, koop nou as u wil bespaar. Die vleissubsidie kos die boer baie en sal dalk nie meer te lank van krag wees nie.

3 Marketing Control Boards

Cost of boards established in terms of Marketing Act

179. Mr. P. A. MYBURGH asked the Minister of Agriculture:

What was the total cost during the financial year 1976-'77 of each board established in terms of the Marketing Act.

The MINISTER OF AGRICULTURE:

		R
1. Naam (e)	Potato Board	374 385
	Dry Bean Board	102 000
2. Ouderdom	Dried Fruit Board	87 955
	Egg Control Board	737 456
3. Ras	Karakul Board	153 830
	Cotton Board	56 222
	Wheat Board	1 650 000
4. Tuiste	Lucerne Seed Control Board	30 351
	Milk Board	689 402
	Maize Board	2 353 079
5. Soort wa	Oilseeds Control Board	617 652
	Banana Board	433 363
6. Skoolja	Livestock and Meat Indus-	
	tries Control Board	2 872 200
	Canning Fruit Board	117 502
7. Span	Rooibos Tea Control Board .	140 689
	Deciduous Fruit Board	2 822 291
	Chicory Control Board	218 824
8. Nommer	Citrus Board	4 058 627
	S.A. Wool Board	319 756
9. Hoe lan	Dairy Board	968 331
	Mohair Board	126 575
	Tobacco Board	113 215

smanne

10. Hoe het u geleer om dit te doen?

11. Het u al ooit ander werk gedoen?

Indien wel, kort besonderhede van vorige werk:

Plek	Tydperk	Soort werk	Weeklikse loon	Rede waarom u die werk verlaat het
------	---------	------------	----------------	------------------------------------

- 1.
- 2.
- 3.
- 4.
- 5.

12. Het u al ooit daaraan gedink om ander werk te doen?

Indien wel, waarom verander u nie van werk nie?

13. Vir watter deel van die jaar doen u hierdie werk?

14. Hoeveel plase besoek u elke jaar?

STORE'S 36c-A-DOZEN PLAN SQUASHED

Mercury
Correspondent

JOHANNESBURG
— An offer by the giant supermarket chain Checkers to buy the country's entire egg surplus from the Egg Control Board and sell it to the public at no profit has been turned down.

Checkers say that if the offer had been accepted eggs would have cost about 36c a dozen instead of the present 58c.

The Egg Control Board's decision to turn down the offer was contained in a letter to Checkers by the general manager of the board, Mr. W. van Rensburg.

Checkers were told the board could not accept that all saleable egg surpluses could be disposed of at reduced prices without seriously affecting normal egg sales at ruling internal market prices.

However, the sales promotion manager of the board, Mr. H. van Wyk, yesterday denied that they had turned down the offer.

He said Checkers had been asked to provide certain guarantees, one of which was that the surplus eggs be made

available to other supermarket chains as well.

"If Checkers sold eggs at reduced prices there would be a surplus created at other supermarkets which the board would be obliged to buy," Mr. van Wyk said. "This creates a vicious circle."

But the assistant vice-president of the foods division at Checkers, Mr. Harold Greenstein, said yesterday that his company

had told the board they were prepared to go into the deal with other supermarket chains.

"Our offer was turned down and the board did not tell us of the guarantees. We planned to sell the surplus eggs to expand the market."

He explained that surplus eggs were being exported at a considerable loss by the board because of

packaging and freight costs.

"This loss is being paid for by the South African public."

He added that Checkers were prepared to buy the eggs at the price the board paid producers for surpluses — which is about 30½c a dozen, which with packaging would bring the price to about 36c and sell them to the public at that price with no profit to Checkers.

NM 24/2/78

Offer to buy egg surplus rejected

3-control Board

Call for probe into control board system

ARGUS 14/3/78 *3 Control Boards*

THE Artisan Staff Association is to call on the Minister of Economic Affairs to investigate the control board system in South Africa.

The association, which began its 47th annual conference in Bellville today, said in a statement that although it did not oppose the principle of control boards, it believed that, in view of the prevailing economic position, the country could not afford the luxury of having control boards.

The statement read: "These boards are costing

the country and the consumer annually a phenomenal amount of money which, according to our information, runs to R67-million. This money is going out of the pockets of the consumer at a time when wages and salaries of State workers are controlled.

DUPLICATION

The association said there was a duplication of control boards which could be eliminated to the advantage of the consumer — the Milk and Dairy Boards could be amalgamated, the Deciduous, Dried Fruit, Canned Fruit, Citrus and Banana boards could be combined, as could the Maize Board, Wheat Board, Dry

Bean Broad and Oilseeds Board.

The association was perturbed about the power the boards wield as regards commodity prices.

"They can fix the price at which the commodity can be sold, they can stop a farmer selling tot or through any other channel than the board itself, and so on.

"These boards are farmers' boards and have been created mainly to cater for and look after farmers' interests.

"The consumer's representation on these boards is so small it renders them ineffective. The fact that the Commission of Inquiry into the Marketing Act recommended

that the consumer representation on the boards should be scrapped, strengthens our belief that these boards are farmers' boards.

DUMBFOUNDED

The president of the Artisan Staff Association, Mr J Zurich said the costs of consumer goods was rising at such speed that the consumer was left so groggy, dumbfounded and frustrated that he was hardly reacting any more.

He said the authorities appeared to have lost control of the situation.

"The workers are being called upon to bear the brunt of these increased costs as their wages trail further and further behind the cost of living index.

3 Controlboards

Name (first name) Subsidized agricultural products

Farm number 348 Mr. T. ARONSON asked the Minister of Agriculture:

1. How did you (1) What agricultural products which are sold to the consumer (a) were sub-

2. Have you ever in a city?
If yes, why

421 THURSDAY, 16

sidized in 1977 and (b) will be subsidized in 1978;
(2) (a) what was the actual amount of such subsidy in 1977 and (b) what is the estimated amount for 1978.

The MINISTER OF AGRICULTURE:

3. What sort of (1) (a) Maize, wheaten products and dairy products; other do - either
on a farm o (b) maize, brown and whole-wheat bread and dairy products;

(2) (a) 1977-'78 (estimates)
maize R52,8m
wheaten products R65m
dairy products R7m

4. What jobs would (b) The amounts will only be known to do?
Why? when the budget for 1978-'79 is published.

5. If worker has not been to school: Why didn't you go to school?

If worker began but did not complete schooling: Why didn't you finish your schooling?

Problems

1.. What would you most like to see changed in your working conditions? (wage, payment in kind, hours, holidays)

In your living conditions? (housing, recreational facilities)

HANSARD. 10. 13th April 1978.
 Question 521. Cols. 613 & 614.

3 Marketing Control Boards

**Agricultural control boards:
 Advertising/promotion of agricultural
 products**

521. Mr. G. DE JONG asked the Minister of Agriculture:

What was the expenditure incurred by each of the agricultural control boards on advertising and the promotion of agricultural products during 1977-'78.

The MINISTER OF AGRICULTURE:

	R
Potato Board	49 000*
Dry Bean Board	4 770
Dried Fruit Board	115 120
Egg Control Board	186 060

13 APRIL 1978

614

Canning Fruit Board	467 488
Karakul Board	1 979 900*
Cotton Board	Nil
Wheat Board	Nil
Lucerne Seed Control Board ...	Nil
Milk Board	114 000
Maize Board	173 000
Oilseeds Control Board	26 000*
Banana Board	53 554*
Rooibos Tea Control Board	63 224
Deciduous Fruit Board	1 720 085*
Chicory Control Board	Nil
Citrus Board	3 109 000
Dairy Board	550 000
Mohair Board	220 100
Tobacco Board	Nil
Livestock and Meat Industries Control Board	347 036
S.A. Wool Board	4 606 470*

*Estimates

53

52

49

6. References.

5. Addresses.

EDA Aquaculture project.

Grahamstown.

Fisheries Science, Rhodes University,

establishment of a Training Centre for

4. PROPOSED DEVELOPMENTS FOR THE FUTURE - Proposal for the

47

Carp; Silver carp and grass carp.

Tilapia; Mogel; Mullet. Exotic fish; Trout;

44

3. NOTES ON VARIOUS TYPES OF FISH - Indigenous fish: Barbel;

42

Indigenous and exotic fish species; Madwaleni Hospital.

TRANSKEI

38

Inland Fisheries by Anton Bok; Grahamstown.

EASTERN CAPE

Control Board
Agriculture

Control boards: too many, too few?

SOUTH AFRICA has 22 agricultural control boards. A nationwide survey showed that 41,9% of those interviewed considered this too many, 19% said it was too few, and 20,1% did not know. — News item this week.

Control board survey

and a vulgar fraction

TOO many boards? What do you mean, too many?

The temptation to dismiss the views of the discerning 19% who want more control boards is high. You can't really trust a nicely rounded figure in any reputable survey, can you?

Where, you cry, are the fractional people, the comma nines and the like who give such a ring of truth to any market research?

For true credibility, you have to know — really know — that among the next 100 people you meet there is going to be comma two or comma seven of one of them who has recently given a researcher his candid opinion on something or other. A piece of his mind, as it were.

So scientists and researchers will tend to disregard the views of the 19 comma 0% who want more control boards. They will be terribly wrong.

The trouble with South Africa is that there are not enough control boards.

Deputy Banana

CERTAINLY agriculture is more or less nicely tied up. But 22 controlling authorities is actually slightly less than the number of agricultural products produced (not slightly more, as some maliciously claim), so you can see that there is no room for complacency.

The Dairy Board, for instance, very nearly failed to follow precedent and push up the price of butter when there was a glut last season, probably because it was harassed by overwork.

There are still mounds of surplus fruit not left to rot in the sun.

Some meat is still slipping on to the market at a price lower than the current price of gold.

The Banana Board was

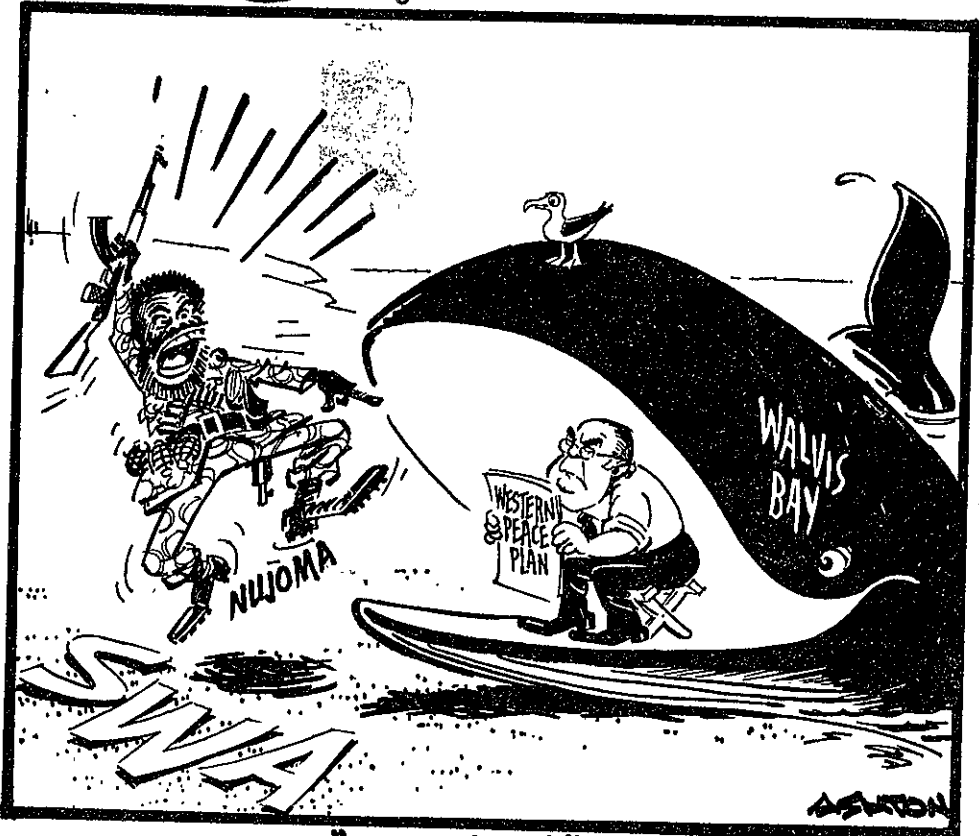
One area is right as it is—that's Plural Relations

THERE is, perhaps, one area that can be safely left in ministerial — as opposed to control board — hands. That is the field of plural relations.

Asked in Parliament this week how many Black squatters had been removed to their places of origin, Dr Connie Mulder replied:

"Nil. The squatters were not removed, but were given assistance to return to their places of origin."

No control board chairman could ever have thought of that one.



"JONAH!"



MY EYE

An irreverent column by ALEXANDER DE KOK

clearly so short of influence and resources that it was quite unable to prevent destruction of almost the whole Natal banana crop in recent storms and now seems likely to have to practice its skills on a solitary banana instead of tens of thousands of bunches.

This will, of course, mean more loving care but less global influence, and points to the need for the board to be reinforced, perhaps by a Deputy Banana Control Board.

Mixed boards

BUT it is in the field of political interference that the Government is scandalously short of administrative arms.

The whole field of mixed sport needs to come under a control board so that contradictory statements may be issued in proper sequence and the glut of adult multinational events can continue to be neatly balanced by a dearth of sporting contact among school-children.

When it comes to issuing permits for mixed audiences, mixed studying, and mixed schooling, an effective board is clearly vital.

This week brought the news that in 1977 the Department of Community Development received 1 183 applications for Coloureds and Asians to attend functions in White areas and granted all but 87 of them. Of 714 applications made for Africans, 54 were refused.

Following the form

A PROPERLY constituted control board with adequate staff would never permit such inconsistency. If it fol-

lowed general form, it would give permission to mix only to those people who did not apply for it.

This week it was also revealed that the number of bannings and detentions had increased over last year, but on analysis this increase proved not particularly impressive. A Banning Control Board could push up the tempo admirably.

Banned people could be stored in giant quasi-Government warehouses all over the country until market forces dictated their distribution.

Battling the boards

SA's commodity brokers are hopping mad at the control boards. Their complaints are not new, but in recent months their tempers have been pushed close to boiling point.

The problem is the boards' growing export activities, which bypass private enterprise. Some examples:

- The Maize Board has concluded several direct deals with Taiwan and Venezuela, both of which were previously customers of the trading houses. In fact, Venezuelan buyers have once again turned to private enterprise for their SA requirements. The current three-year Taiwan deal involves exports of over 1,2 Mt of maize, and negotiations on a new agreement will start early in 1979.

Six months ago, the board sewed up a deal with Mauritius, despite the fact that, as one trader puts it, "the trade has negotiated sales to Mauritius for years."

- Since its formation in 1952, the Oilseeds Control Board has given an exclusive agency for the marketing of its products in Europe and Canada to London-based Overseas Farmers' Co-operative Federations. "Not only is this a monopoly situation," observes a Johannesburg trader who wouldn't mind some of the business himself, "but Overseas Farmers' pays taxes to a foreign government and employs non-South Africans. We get many enquiries from prospective buyers in Europe, but we're not allowed to sell to them."

- The Potato Board has appointed exclusive agents in Hong Kong and Mauritius, thereby cutting out all other exporters.

- The Chicory Board has tried to export chicory to the US. It was a disastrous exercise which ended in the board losing several hundred thousand rand.

- The Egg Board now exports directly to several areas previously serviced by private traders. The latter claim they did the spadework in getting SA a foothold in the markets concerned.

Who has the expertise?

In a thinly disguised swipe at the control boards, Louis Lewis, chairman of the Grain and Produce Shippers Association, noted in his annual report last week that "it is (not) generally realised or fully appreciated that through the organisations represented by the association, the agricultural sector is being serviced by the world's leading grain houses who employ the most sophisticated marketing techniques available. Our member organisations possess, above all, an ability to

inject an entrepreneurial resourcefulness into the agricultural sector."

Agriculture Minister Hendrik Schoeman is not impressed by such arguments. He tells the *FM* he is satisfied with the present situation.



Minister Schoeman . . . sticking up for the boards

Though control boards have been instructed to leave marketing to the private sector "as far as possible," Schoeman argues, somewhat lamely, that "it would be unrealistic to deprive control boards of all their marketing functions, especially since some boards have been exporting products themselves for years."

He reckons some importers abroad prefer to do business on a government level, while some control boards have entered the export game because "exports take place at a loss, or at least originally, were sold at a loss. Importers have in these cases become used to dealing directly with the boards, and prefer to continue with this arrangement."

Traders concede that where political considerations are paramount or where there is a deal involving strategic materials, they are willing to see the boards encroach on their territory. But not otherwise.

Chances are the brokers have not fired their last broadside. Complaints to the

advisory committee on state competition, and the Minister of Economic Affairs, are two of the alternatives still open to them. They point out that it's hardly in Pretoria's interest at present to antagonise unnecessarily some of the world's biggest trading houses.

required by law.

restrictions.

it of Africans.

ces under Africans.

ong different African groups.

l.

orrectly orientated.

er courses in language and

AGRICULTURE - Contd
Boards

30/3/79 - 11/11/79
(all of 1979)

3

X

MAIZE PRICE

2/4

3 Control Boards
Pm 30/3/78

Through the roof

- (1) Agriculture Minister Hendrik Schoeman will soon show whether his sympathies lie with farmers or consumers. Before the end of April, he must decide whether to approve the 26% hike in the maize price recommended by the farmer-dominated Maize Board last week.
- (2)
- (3)

Speculation is that the board has followed the lead of producer organisations in putting forward a price of nearly R106 a ton, compared with the present R84/t.

The proposal still has to be considered by the National Marketing Council, Minister Schoeman, and the Cabinet's food committee.

They have several choices. They can accept the recommendation as it is, though this is considered unlikely.

The increase could be cushioned by raising the government subsidy on maize (R50m this year). In the light of Schoeman's objections to subsidies, this is also improbable, though maize men do not expect the subsidy to be lowered.

Finally, government can reject the board's price and fix a lower one. Considering the size of the proposed increase, this is the most probable outcome.

If this happens, the board will be faced, as in 1975, with incurring farmers' wrath by implementing the lower price, or threats from government to intervene if it does not. Last time, the board backed down.

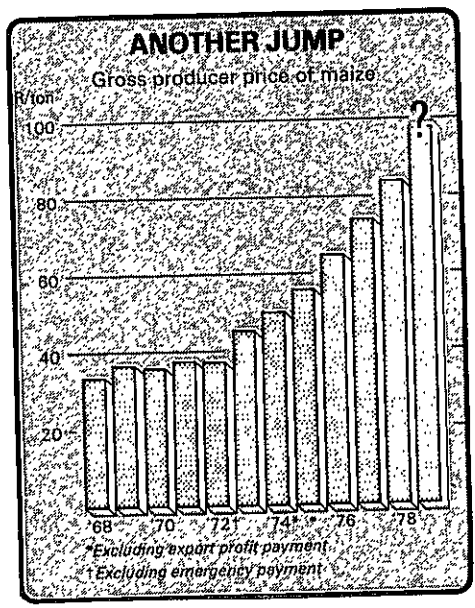
Farming costs soar

The chief motivation for the proposed sharp increase is the steep rise in farming costs, which since the early Seventies have not been reflected in producer prices, according to the farmers.

Discussions in Pretoria last week centred mainly on the pros and cons of these arguments. For instance, farming lobbies claim that the 55% jump in diesel prices over the past year has added more than R4/t to production costs. They also point to the recent 14% fertilizer price rise.

Sams deputy director Freek Tomlinson reckons costs are rising "quite sharply." Pieter van der Dussen, economist of the more militant SA Maize Producers Institute (Sampi), doesn't see why farmers should stand "hat in hand" on pricing. "If inflation is now a part of economic policy," he says, "we want to live with it, not die with it."

This year's poor crop, because of abnormally dry weather, has further strengthened the farmers' case. Crop estimates at end-February pointed to a harvest of around 7,5 Mt, compared with



'77/78 '76/77

34.00	(41.00)
40.00	
2.52	(2.55)
	(32.10)
22.00	
8.40	
37.00	
10.50	
3.20	
10.00	
3.00	

last season's 10 Mt. Since then, however, the estimate has been cut to 6,7 Mt.

The final count could be even lower, and yields have already been reduced from last season's average of 2,2 t per hectare to only 1,5 t/ha.

Maize Board GM Hendrik Hickley reckons exports are expected to slide from the current season's 3 Mt to around 1,5 Mt, more than half of which is accounted for by the carry-over from 1978's bumper crop.

With export prices for yellow maize currently around R104/t, and transport and handling costs about R30/t, a producer's price of about R100/t will mean sizeable export losses. The board hopes, however, that the R9,7m balance in the stabilisation fund, plus producer levies, will be sufficient to absorb the shortfall.

● The Maize Board has sold 50 000 t of maize to Zambia to help it overcome shortages as a result of this season's drought north of the Zambezi. The maize is expected to be delivered during May. Substantial quantities have also been sold to Mozambique.

.00	
.80	
.42	
.42	
26	(43.89)
89	(1.04)
15	

(50.
(-5.:

portion is reserved for specific purposes: Stellenbosch Farmers Winery a/c, is destined which will be presented to various schools held in trust for the purchase of prizes. Routine expenses ('77-78 = R65 - see starred is excludes the cost of prizes and of the

as we have already received our grant for '78/79 from CASA it is clear that we shall have to call on outside sources for help when, as is likely, the expenses connected with the above, recur this coming financial year.

POLITICS

Egg Board

ran up R4m

export loss

500
3 Central Board
20/3/79
JD

THE ASSEMBLY — The Egg Control Board incurred a R4 271 198 loss in the export of egg products during the 1977/78 financial year.

The Minister of Agriculture, Mr Schoeman, disclosed yesterday in reply to questions by Mr P. A. Myburgh that the export loss on shell eggs during the 1977/78 financial year was R684 725

The respective losses during the 1976/77 financial year were R3 533 053 on egg products and R369 799 on shell eggs.

The losses were financed from the levy on eggs sold in controlled areas. During 1977/78, the levy paid by all South African egg producers was R5 952 279.

At the end of April 1979, the Egg Control Board held a surplus of 1 935 000 dozen shell eggs and 6 627 665 dozen egg products. More than 32 million dozen eggs were exported during 1977/78 by the Egg Control Board

and another 1,3 million dozen were exported by the private sector. Exports were made to Europe, the Far East and other countries.

The price paid was 56,5c a gross dozen in Europe, 55,5c a gross dozen in the Far East and 48c a gross dozen in other countries.

The Egg Control Board spent R167 000 on advertising in South Africa during 1977/78, but conducted no advertising overseas.

A total of 253,7 million dozen eggs were produced for sale in South Africa during the year at an average retail price of 58,52c a dozen.

Figures reflecting the number of eggs sold in South Africa were not available. Mr Schoeman said the chairman of the control board received no salary or allowance, but members of the board received a salary of R1 798, which included travelling costs and official entertainment, and allowances of R6 588 for transport and subsistence allowances. — PS.

F.M 19/10/79
CONTROL BOARDS 3 Control Boards
Forex fruit ~~3 Fruit~~
76

SA's 22 control boards manage vast millions on behalf of their shareholder farmers. But they are a long way from being regarded as sophisticated financial institutions or money market players.

An exception is the Deciduous Fruit Board. Not only has it demonstrated it is one of the country's more efficient control boards by successfully exporting R200m worth of fruit but, this year, it also earned a sort of "super profit" on purely financial transactions.

During 1979 the board's financial team of Wilton Eaton, assistant GM for finance, and chief accountant Barend Kritzinger, introduced an aggressive policy designed to make greater use of the millions the board has lying around in foreign markets from time to time. "We decided that the

financial traditions of the board needed revitalising," says Eaton, "and, with the full support of the board, we reorganised our entire outlook."

The first tradition to be jettisoned was the almost automatic renewal of the board's insurances, the premiums for which amounted to R1.4m in 1978. Its insurance is divided into three sections: marine, credit guarantees covering political and commercial risks, and a loss of revenue policy which insures against any catastrophe.

Big premium saving

In what Eaton describes as a "change in insurance philosophy," the board decided to accept the first R250 000 aggregate loss, and the resulting saving in premium was R405 000. "We had a few claims," admits Eaton, "but nothing like in the past. Because we knew we were carrying the first loss, everyone was a little more careful. But our savings are going to be about R300 000 net."

For short-term finance, the board has in the past, like other control boards, borrowed from the Land Bank. Explains Eaton: "Land Bank money would have cost us 8.5% so we asked for, and received, ministerial approval to approach the open market and we invited five banks to tender." For the first time in the DFB's history, therefore, two banks were used

for the provision of short-term finance. A total of R40.2m was borrowed at an average rate of 6.3%. Had the board borrowed at Land Bank rates, the interest bill would have been R50 000 more.

With short-term borrowings secured, Eaton and Kritzinger applied the same competitive principles to their foreign banking policy and to the flood of money resulting from sales.

To gear themselves for this market, they introduced changes to their communications network round the world markets. This included enlarging their telecentre, while actual fruit marketing instructions were relayed via their computer hook-up.

The board trained two of its internal accountants in exchange methods and set about playing the world money markets. Says Eaton: "We used 14 banks in all, buying foreign currencies wherever it suited us. When we had a million or two available, we got onto the telex and asked for quotes in particular currencies. It was like a miniature money dealer's control room." What surprised the DFB team was that most of the time it received better quotes from SA banks. During this short period — barely five months — the board bought and sold R90.4m in foreign currency and showed a net profit on its forex dealings of over R60 000.

By anticipating the rand's appreciation

against the US dollar, the DFB claims it made another R50 000. And, by selling forward sterling for dollars earlier in the year when the pound was taking a battering, it made another R40 000 once sterling recovered. Although the final figure is not available, Eaton estimates that the board will have made a super profit of almost R250 000 on financial dealings.

Out of the board's R200m sales, no less than R110m is earmarked for freight (which alone accounts for a staggering R50m), distribution and handling costs. The balance is repatriated to the farmers.

Concludes Eaton: "This is the first year we have played the world's forex markets and we have learnt a lot by our experience which has been a good one. We have relied heavily on financial experts to advise us and the success we have had this year has encouraged us to repeat the exercise in 1980."

B. DONALD ANDREW AND STEPHEN ORPEN

GOVERNMENT is under renewed attack from both consumers and producers in the food industry.

For different reasons, both are concerned with the way Pretoria is interfering in the management of this massive sector, with an annual turnover of several thousand million rands.

On the one hand, it is argued that the more the public sector involves itself in administering the processes of food pricing, marketing and distribution, the more the consumer pays.

It is pointed out that this is contrary to the announced intention of Government to allow the private sector and free markets greater sway in the economy.

On the other hand, it is argued that when Government subsidises food production or prices, taxpayers must bear the burden: a socialistic trend that again runs counter to the new official free enterprise policies.

In both cases, it is clearly simplistic to expect the State to withdraw completely from the arena.

Chaos would result if there were no control of the production and marketing processes. And there are special reasons why subsidies are essential on certain staple foodstuffs — mainly the disadvantaged position of the blacks in the earnings-inflation equation.

But the old plea for sweeping reform of the current expensive (and often inefficient) State system of food management is certainly more relevant since acknowledgement by Pretoria of the need for more private and less public enterprise.

Farmers are pleading poverty. Housewives plead that food prices should not rise so much faster than the consumer price index as a whole.

The recent Jacobs report agreed that farmers should be paid more for their produce, but did not fully explain how this could be done without hurting the consumer.

The answer lies in the reforms being sought in the food control systems.

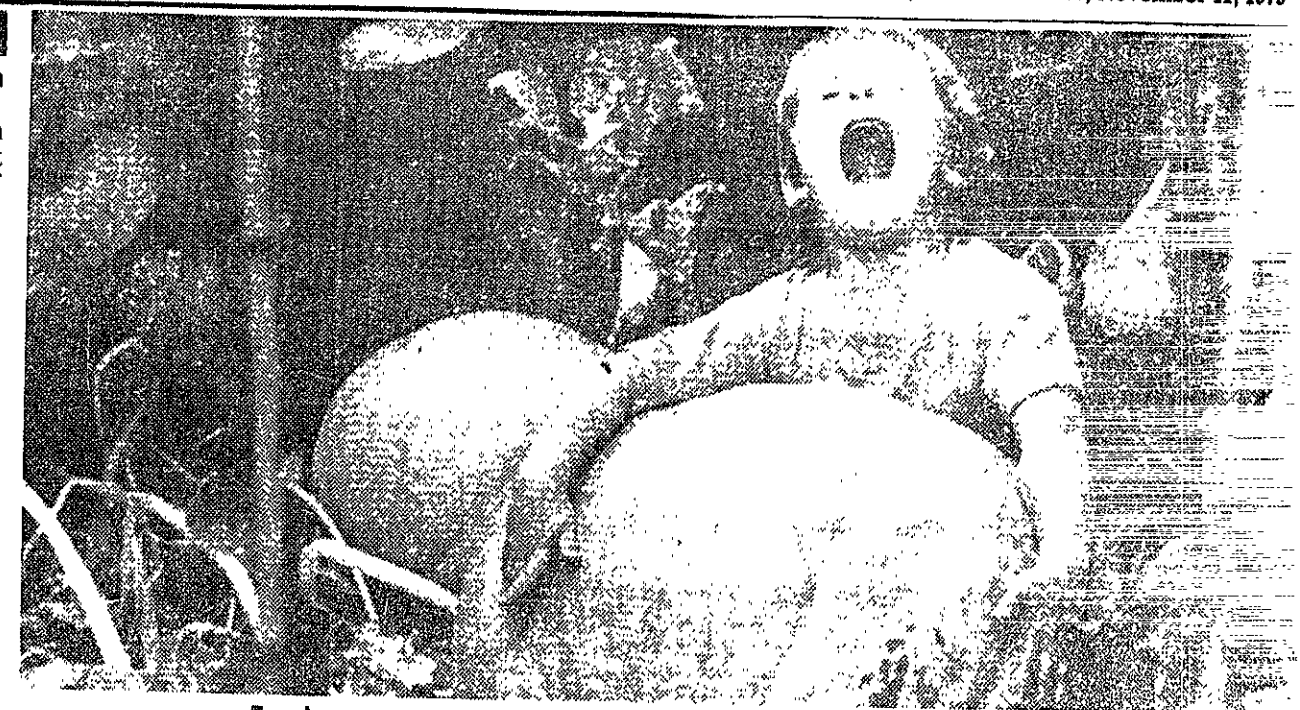
Farmers complain they have become civil servants because the Government sets the prices of agricul-

tural products (unrealistically low) in order to buy votes.

They tend also to claim that Government wants control of the control boards.

Consumers don't agree. They tend to applaud the lawmakers as having given Government some power to curtail that of the control boards.

Some of South Africa's largest companies — including SA Breweries, Premier



Food management: struggling to move a mountainous overburden

Govt food policy under crossfire

S. James 11/11/79
3 CONTROL BOARDS

Milling and Tiger Oats — are deeply embroiled in the debate.

On the processing and retail levels there are also numerous interest groups — for instance the Grocery Manufacturers' Association and the Balanced Feed Producers' Association.

At the primary producer level there are probably at least 400 bodies involved in administering and servicing agriculture in South Africa.

They include:

- The Ministry of Agriculture.
- The Department of Agricultural Credit and Land Tenure.
- The Department of Agricultural Economics and Marketing.
- The Department of Agricultural Technical Services.
- The National Marketing Council.
- 21 agricultural control boards.
- The Land and Agricultural Bank.
- 318 agricultural co-operative societies.
- The South African Agricultural Union (SAAU).
- Numerous agricultural societies.

There are about 8 850 staff in the three departments of agriculture and about 2 950 for the 21 control boards.

Budget

The combined budget of the three departments is about R280-million and for the control boards this figure has been calculated at roughly R21-million or an average of R1-million each a year.

The Department of Statistics publishes the control boards' wages and salaries bill alone at R17,6-million for 2 748 employees last year.

The co-ops and agricultural societies together employ many thousands more.

Compared with these figures there are about 75 500 farmers (strictly farm units) earning last year about R4 000-million gross, R1 700-million net or about R22 500 pre-tax profit per farmer on average.

This figure does not, however, include a salary for the farmer nor any interest payable on and repayment of loans.

The departments of agriculture obviously perform useful services. However, in the same way that the Land Bank has been accused of subsidising food prices for political gain, so it is argued that the "free" services of the agriculture departments keep the price of food below real costs.

The co-ops and agricultural societies are institutions created and paid for by farmers.

The control boards suffer the most frequent public criticism. They have been accused of creating shortages and surpluses, and of exporting to prop up domestic prices. It is also said that they raise prices on falling demand, which defies the market mechanism.

There are five types of control boards. These handle:

- One-channel fixed price marketing, where a uniform producer price is set by Ministerial decree (maize, wheat, dairy products).

- One-channel pool marketing, where the board does the actual selling on behalf of producers who are paid a "yoorskot" (forward shot) on delivery and, depending on prices obtained, an "ag-

terskot" (after shot) once the crop is sold (including deciduous fruit, wool, citrus).

- Surplus removal schemes, where farmers compete in the market; the board buys what they cannot sell (including meat, eggs).

- Supervisory schemes (cotton, canned fruit).

- Advertising schemes (karakul).

Merit

Some of the schemes are generally accepted to have merit in the case of some products — deciduous fruit, for example.

Others are considered by many non-farmers to be counter-productive and not in the national interest.

Each product in each scheme has its own set of complicated pros and cons.

In the accompanying article, possible alternatives to one control board product scheme are suggested.

There is growing pressure, however, for a thorough re-examination of the whole network of apparatus covering food controls.

AGRICULTURE - Contd Boards

3

1-1-80 - 31-12-80

9/6/80

3 (Eggs)

Debate: Egg Production Control Amendment
Bill - third reading.

See Hansard 17 cols 8517 - 8521

3/6/80

3 (Eggs)

Egg Production Control Amendment Bill

See Hansard 16 ~~Street~~. Cols. 7982-7998

22/5/80

3 (Control Boards)

~~Egg Production Control Amendment~~
Bill
(second reading)

See S. Hansard 9 20s 1919 - 1924

22/5/80

3 (~~eggs~~)
(Control Bds)

Egg Production Control Amendment Bill

See. S. Hansard Cols 1919 →

Hansard 14(778) Tomato control board 21/5/80 (3 req) (control bds)
*4. Mr. R. J. LORIMER asked the
Minister of Agriculture and Fisheries:

Whether consideration has been given
to establishing a tomato control board; if

779

WEDNESDAY

so, what (a) was the decision and (b) were
the reasons for such decision?

†The MINISTER OF AGRICULTURE
AND FISHERIES:

The South African Agricultural Union
submitted a proposed Tomato Scheme to
me which, in terms of the provisions of
the Marketing Act, 1968, was referred to
the National Marketing Council for inves-
tigation and report. The investigation is
still in progress.

3 (Control Boards)

Hansard 8 Quest Col 520

27/3/80

South African Wool Board: investments

499. Mr. R. J. LORIMER asked the Minister of Agriculture:

- 8/3/80 3 (Wool)
3 (Control Boards)
- (a) With which financial institutions was the amount of R31 621 629 invested which is reflected in the balance sheet contained in the Annual Report of the South African Wool Board for 1977-'78 and (b) what amount was invested with each institution?

The MINISTER OF AGRICULTURE:

- (a) Bank of Johannesburg, Mercabank, Bank of the O.F.S., U.D.C. Bank, Trust Bank, Finansbank, French Bank,

FRIDAY, 28 M

Boland Bank, Bank of Lisbon, Nedbank and Senbank.

- (b) The amounts vary between R600 000 and R4 000 000. For business reasons the S.A. Wool Board would prefer that the amount invested with each bank at the time not be disclosed.

Hansard 6 Questions Col. 364 14/3/80
 3 (Control Boards)

Marketing Act: boards

441. Mr. T. ARONSON asked the Minister of Agriculture:

What was the total cost of each board established in terms of the Marketing Act for the financial year 1978-79?

The MINISTER OF AGRICULTURE:

	1978/79
	Rand
Potato Board	497 319
Dry Bean Board	133 090
Dried Fruit Board	105 000
Egg Control Board	905 801
Karakul Board	31 519
Cotton Board	124 429
Wheat Board	1 878 266
Lucerne Seed Control Board	49 159
Milk Board	1 085 768
Maize Board	2 376 131
Oilseeds Control Board	901 541
Banana Board	349 236
Meat Board	3 856 988
Canning Fruit Board	120 826
Rooibos Tea Control Board	160 749
Deciduous Fruit Board	3 641 359
Chicory Board	289 558
Citrus Board	5 142 154
South African Wool Board	1 065 295
Dairy Board (for the period 01/10/78 to 28/02/79 after which the two Boards were merged)	426 695
Mohair Board	148 467
Tobacco Board	151 981

3 MARCH 1980

468

It has become necessary to effect some changes to the Marketing Act and, as hon. Senators will notice, the Bill is largely self-explanatory. It is therefore only necessary for me to comment on its most important aims.

In terms of the present provisions of the Act, members of control boards may only be appointed for fixed terms of three years, and there is no provision either for the appointment of alternate members in those cases where members by reason of illness or other circumstances are prevented from performing their official duties. Provision is accordingly also being made now for the possible appointment of members of control boards for periods shorter than three years and for the appointment of alternate members under certain circumstances. This authorization will facilitate particularly the succession and rotation of members and therefore, in addition, the maintenance of continuity on control boards.

In pursuance of a recommendation of the Commission of Inquiry into the Marketing Act, which reported in 1976, the Act was amended in 1977 to provide for the imposition of general levies on agricultural products, the payment of the proceeds of such levies into a special account and the appropriation of the funds in such special account to defray the expenses of the S.A. Agricultural Union in connection with such of its activities as the Minister may approve.

Mr. President, I just want to mention for your information that the hon. Senator Webber served on this committee and as a result of their recommendations, which were unanimous, these amendments are before this hon. House today.

In terms of this provision in the Act approval was also given for funds from the special account to be made available to the S.A. Agricultural Union for the defraying of its organizational and administrative expenses, as well as for defraying the expenses of the specialist and industrial organizations with which the Agricultural Union is affiliated. After a recent investigation into the efficacy of the existing arrangements by the National Marketing Council, it was decided that it would be a more effective arrangement if the Agricultural Union's organizational and administrative expenses only were financed partly from the special account, and the

469

specialist and industrial organizations affiliated with the Agricultural Union looked to the various control boards for contributions for the partial defraying of their expenses. Provision is being made in the Bill for these proposed arrangements.

At present the Act also provides that a control board may, subject to conditions approved by the Minister, appoint the agents it may deem necessary for the proper performance of its functions. In a strictly legal sense therefore a board may itself decide which of its functions it wishes to have performed by an agent, but the Minister may decide from a policy point of view that it is preferable that duties which a board might want to entrust to an agent should rather be performed by the board itself. Therefore a provision is now being inserted that a board may only appoint an agent to perform such tasks as the Minister may approve.

The Act lays down that a control scheme may provide that in a case where a one-channel pool system applies to a product and such pool suffers a loss because a producer produces a quantity of products which differs from the quantity he was by notice to produce, the board may recover the actual loss from the producer concerned. It may happen, however, that in notices to the board a producer deliberately or negligently specifies incorrect quantities and that, although the board through the redistribution, reassignment or withholding of products may avert a loss to the pool, it may be necessary to penalize the producer concerned by recovering from him the loss which the pool would probably have suffered. Provision has been made for this in clause 8 at the request of the Citrus Board.

Generally the Bill also contains provisions to bring the existing maximum penalties into line with the present jurisdiction of magistrates. As is customary, discussions were held with organized agriculture and the agricultural control boards in regard to the provisions of the Bill.

Mr. President, I just want to ask your advice in connection with another matter. Unfortunately I was at fault during the discussion of the previous Bill and neglected to move the amendment to the Bill standing in my name. Can we rectify the matter?

Mr. PRESIDENT: What do you suggest?

THURSDAY, 13 MARCH 1980

470

The MINISTER: At this stage, with the consent of the Opposition and with your approval, may we insert the amendment in clause 5?

Mr. PRESIDENT: It is too late now.

The MINISTER: May I place the amendment on the Order Paper for tomorrow and dispose of the matter in that way? [Interjections.]

Senator J. L. HORAK: We would like to help but the Act must be valid. I think the hon. the Minister should first obtain expert advice.

Mr. PRESIDENT: I am afraid that the hon. the Minister will have to leave the matter at that for the moment and obtain expert advice to see what can be done.

Senator C. C. HENDERSON: New legislation will possibly be required in order to rectify the matter.

Senator W. T. WEBBER: Mr. President, I must say I rise in the most peculiar atmosphere in regard to the plight of the hon. the Minister on this Marketing Amendment Bill. The atmosphere has not only been created by the fact of what has just been discovered but also by the fact that I have had an offer from the hon. the Minister that I find I cannot accept. It is an offer that, unfortunately, I have to refuse much as I would have liked to have accepted his offer. Having said that, I want to hasten to say to the hon. the Minister that we will not be opposing this measure. However, I do find that there are certain matters which we must discuss across the floor of the House. There is also an amendment which I want to move at the Committee Stage and which I hope the hon. the Minister has now received. I must apologize for the lateness of this notice to him, Sir, but it was not anticipated that this measure would be discussed today and that is why he has received it so late.

Let me say that the first thing that I must welcome is the removal of discrimination in this Bill. It is, I hope, the forerunner of more legislation which will follow the same lines. The hon. the Minister glossed over the fact but I believe he should have made a great

13/3/80

Senella Howard R
CAL 4 L 7 →

3 (control boards)

MARKETING AMENDMENT BILL

(Second Reading)

*The MINISTER OF AGRICULTURE:
Mr. President, I move—

That the Bill be now read a Second Time.

marketing board concerned is going to have to levy to meet this requirement of the Agricultural Union.

The CHAIRMAN: Does the hon. Senator Webber intend to retain the proviso?

Senator W. T. WEBBER: Yes, Sir. "Provided that the Minister may at the request of the said Union and after consultation with the said marketing council increase in respect of a particular year the amount so determined." That can remain. So that, in the event, during the year—I thank you for reminding me of this, Mr. Chairman—of the Agricultural Union finding that it needs more money, the must go to the control board concerned and see whether there is any possibility of increasing the levy. It must be remembered that this amount is to be found from a levy which will be imposed by the control board on its producers in respect of the marketing of its particular commodity.

The MINISTER OF AGRICULTURE: Mr. Chairman, I would like to explain something to the hon. Senator Webber. He has been very reasonable in his request. Let us say that in the first year when the S.A. Agricultural Union submits its budget it asks for R1 million because it needs R1 million. I must then ask whether its members are not going to contribute part of this sum. How can they have an active Agricultural Union whose members never contribute towards it? Take for instance vegetables in respect of which 0.02% is deducted. The amount is so small that the producer does not even know that something has been deducted. He does not even feel it. I feel that one should ask a cash contribution from one's member to keep the S.A. Agricultural Union alive. One cannot of course expect to collect the whole million—if it is a million; I only mentioned this figure—in this way. We said that we were prepared to give them a certain amount and the rest must be from their own funding in a way decided upon by themselves. Then they asked: What if it is decided to make the amount less next

year? How can we plan our budget? The president of the Agricultural Union agreed that the members had to be kept active and alive. All four provinces agreed on this, but they also asked that they be given at least three years to budget in advance so that they would know that the figure would not be reduced after a year and leave them in a situation where their budgeting could not be completed. So we agreed to make it three years. I would like to meet the hon. Senator but then I will have to go back to the S.A. Agricultural Union which has said that it wants the three years.

*Senator W. T. WEBBER: Yes, but they are crafty.

The MINISTER: So, Mr. Chairman, I am sorry that I cannot accept the amendments of the hon. Senator. However, he and I have differed in the past on more important things than this minor matter. [Interjections.]

Amendments negatived.

Clause agreed to.

Clause 7:

Senator W. T. WEBBER: Mr. Chairman, I thank the hon. the Minister for the explanation he gave in reply to the Second Reading debate as to why precisely he wants this amendment to section 66 of the Act.

I can appreciate that there are those members—I am not going to say farmers because it applies to other people as well—who will take a chance. There are those who take chances in all spheres of life. But, Sir, it does appear to me to be a little hard that one should have a punitive provision to the effect that a person can be fined—because that will be the result of this provision—by a board for damages or loss which the board did not in fact suffer. I am prepared to accept that where the board has suffered a loss it is only fair that such loss should be recovered from the consumer concerned. But where one has the

situation that there was a possibility that the board may have suffered a loss if it had not been for the actions of the employees of the board, I find this extremely difficult to understand. We are dealing with a hypothetical situation here in that a board can say that they could have suffered a loss to the extent of R40 000 and are therefore going to recover R40 000 from such person. No loss was in fact suffered but they might have suffered it because of the person's actions and they are therefore claiming R40 000 from that person. I do not believe that any action in any court of law based on a hypothesis that something may have happened would ever stand. Therefore I do not believe that we should write into our legislation such a provision that a board may—and here too the control of the Minister is removed; he does not have to approve it—arbitrarily decide that there was a possibility that the board may have suffered damage to the extent of a certain sum and then to claim that back from a producer. I would like to hear the hon. the Minister's further comment on this matter. I am inclined to move an amendment to omit the words "or but for any action of the board could have suffered"; in other words, to have a provision whereby the board may recover from a producer any amount assessed by the board as being approximately equal to the amount of any loss which the pool suffered in consequence of the failure of the producer to comply. That I am prepared to accept because I think it is perfectly reasonable but when one adds to that a hypothetical case that where in the board's opinion it may have suffered loss if it had not been for its own vigilance and diligence, I feel this is going a little far. I would like the hon. the Minister to comment further in this regard.

The MINISTER OF AGRICULTURE: Mr. Chairman, if the hon. Senator will look at the proviso he will see that any amount recovered per unit or quantity of the product shall not exceed an amount which shall be prescribed in the scheme. Let us say that the hon. Senator and I are citrus farmers. We join a pool scheme and are subject to certain

regulations. In those regulations we read that if we decide to export—we both have packing sheds—and shipping space is reserved for us and we do not use that shipping space, we will be responsible for any loss incurred. I as a co-pool dealer in this operation will not be prepared to lose R3.50 per export box of grapes or oranges, so whoever is responsible will have to repay that amount to the whole pool. I cannot see that this is unreasonable.

*Surely no fault can be found with that. When farmers are members of a pool, they decide, for instance, to ask R3.50 per box. But what happens if there is shipping space on a ship which is not used? The hon. Senator has just said that there are farmers who are crafty. This is so, but they represent less than 1% of all farmers. For instance, a certain farmer may decide to sell his product on the local market because good prices can be obtained, instead of exporting it, in terms of his undertaking to the pool.

*Senator W. T. WEBBER: Must he still be penalized even if there is no real loss for the pool?

*The MINISTER: People agree on a pool scheme and I can find no fault with this if shipping tariffs can be recovered from members who did not fulfil their obligations to export. It boils down to breach of contract.

Clause agreed to.

House Resumed:

Bill reported without amendment.

Bill read a Third Time.

WINE, OTHER FERMENTED BEVERAGES AND SPIRITS AMENDMENT BILL

(Second Reading)

*The MINISTER OF AGRICULTURE: Mr. President, I move—

That the Bill be now read a Second Time.

oday... the man on a corruption
 ge who would not show his face



Mr Pieter Broodryk, face masked, leaves Johannesburg Magistrate's Court after being remanded to February 8. Mr Broodryk, a Meat Board official, is charged with corruption

More meat probe arrests looming

SUNDAY TRIBUNE 13/1/80

By DARYL BALFOUR

3 Control
50000

Tribune that police investigations had uncovered only the tip of the iceberg.

"I don't want to say too much now," he said.

He said corruption in the meat industry was widespread but he would not elaborate.

It is understood that police inquiries could now involve beef farmers and other industry connections in an investigation which could spread to South West Africa-Namibia.

the Meat Board in some control areas.

In several denials the Meat Board has claimed the permit system works well and is the best system under which farmers can market their stock. The board has complained to the Press Council about a Sunday Tribune report.

Two weeks ago a senior Meat Board official in Johannesburg, Mr Pieter Abraham Lourens Broodryk, 38, was arrested on corruption charges said to involve about R50 000.

This week, in two separate night swoops, detectives of the Fraud Squad arrested a director of the Edmund Woodhouse Livestock Agency, Mr Cornelius Johannes Oosthuizen of Bonifay flats, Blackheath, Johannesburg, and the livestock manager of another agency, Mr Deon Gerhardus de la Port of G. G. Walker Livestock

Agents, Pim Street, Newtown, Johannesburg.

All three men are out on bail. Mr Oosthuizen is due for his second court appearance on Thursday. Mr de la Port and Mr Broodryk appeared in Johannesburg Magistrate's Court on Friday and were remanded until February 8.

The investigating officer in the meat industry probe, Captain C. J. A. Victor, told the Sunday Tribune this week that the investigation would probably take months to sort out.

"We're only just starting to uncover things now."

Captain Victor could not say how much money was involved in the corruption cases. "It will take weeks to sort even that out," he said.

After his release on R500 bail on Friday Mr de la Port told the Sunday

FRAUD SQUAD detectives in Johannesburg have launched an investigation into the meat industry that police say could lead to many arrests and corruption charges.

So far a senior Meat Board official and two livestock agency officials in Johannesburg have been arrested.

Detectives are to probe allegations of corruption and malpractices in the R3 000-million-a-year meat industry. — First highlighted by the Sunday Tribune in October — and could investigate leads uncovered by the commission of inquiry into alleged malpractices in the meat trade in South West Africa.

In a series of articles the Sunday Tribune has reported on widespread claims of dissatisfaction with the industry among cattle farmers, including severe criticism of the permit system of beef marketing employed by

magisterial district was used, the numbers being reassigned by the 1974 gross population estimates by economic region. 11

Reference Bureau
 9 Africans were not
 It is estimated that
 not registered for

YPOT

Back page Tribune

772

Hansard 2 cols
Full text of debate
see Hansard

(3 copies)
2/15

BURUARY 1980

77

That this House—

- (1) affirms its confidence in the system of free and fair economic competition in agriculture; and
- (2) takes note of especially the problems arising from—

- (a) vertical integration in the agricultural industry; and

- (b) the resultant frustration of the objects of the Marketing Act.

I am very glad of this opportunity to raise a matter here today which is of the utmost importance to every citizen of this country. I believe that this subject which we are going to discuss today is a non-political subject and that the debate we shall have on this subject will be held in a good spirit to the benefit of the country.

One of the 12 points of the now well-known 12-point plan of the hon. the Prime Minister concerns the economy of the country and states that the system of free enterprise must continue to be preserved as the basis of our economic and financial policy. No one can find fault with this statement, which is the interests of this country at heart. I do not think there is any member of this House who would think there is any member on the Opposition either, who will find fault with it. The fact that the Republic of South Africa has a capitalist system and that we wish to preserve it can never be sufficiently emphasized. This image of the Republic of South Africa must continue to be presented to the world and emphatically to the world, not only for the sake of financial gain, but because we really believe in it, because it forms part of our culture, it forms part of our history and forms part of the kind of democracy we are practising.

Because the agricultural industry does not out the world is experiencing problems maintaining itself as the provider of food which consequently gives it strategic importance—it remains a fact that there is no country in the world in which the industry is not supported by the State in one way or another. As a result the agricultural industry can very easily be steered in a

FRIDAY, 15 FEBRUARY 1980

773

direction, even in a democratic and free capitalist system. Therefore it is necessary to be constantly on guard against such a tendency. It will therefore be fitting if this House re-affirms its confidence today in a system of free and fair economic competition in agriculture. Justified and constructive criticism of the agricultural policy of the Government must always be welcomed, and we do so. This can assist in keeping our ideal of free competition pure so that the agricultural industry in South Africa will continue to remain in the hands of the greatest possible number of independent producers and so that there can be constant renewal in the form of new practitioners entering the industry, for if there are no new practitioners entering an industry, such an industry stagnates.

Today there are thousands of young men in our cities in South Africa who long for their own piece of land and who wish to make farming their profession because it is deeply-embedded in their cultural background. They are people who are prepared to accept the challenges of the industry and the risks involved in it. However, they do not have the means with which to make a start. I wish that we could help many more of them to populate the rural areas and our border areas, because a country without a widely distributed farming community is a poor country.

Every economic system develops its own problems, and the same applies to capitalism. In this way restraints may be imposed on the development of free competition, for example by the development of monopolies, or the formation of so-called cartels or agreements which disrupt the market mechanism. If that happens, the State must intervene to protect the system, as the USA had to do as long ago as 1890 by means of the Antitrust laws, and we had to do by passing legislation here last year, viz. the Competition Act.

That brings me to the second part of my speech, viz. that this House takes note of the problems arising from vertical integration in the agricultural industry. I want to sketch briefly what I mean by vertical integration. I like to do so on the basis of a comparison of this concept by the late Dr. A. S. At the same time I should also like to refer on record here that this man, Dr. [Name], made a tremendous contribution to the agricultural economy in South Africa. He was

formerly a member of the Viljoen Commission on the Protection of Industries, of the Reynders Commission of Inquiry into Cost and Profit Margins on Agricultural Implements and of the Theron Commission of Inquiry into the Coloured Population. He was a pre-eminent agricultural economist. He said—

Vertikale integrasie is die samevoeging by of same-smelting met dieselfde produksie-eenhed van al die handelinge, streek-kende vanaf die verkygting van die grond-totomdat dit in die vervaardiging van die afgewerkte produk.

That is his definition of vertical integration. He could also have added the marketing of the end product. By vertical integration, therefore, we understand an agglomeration of production processes where the end product of the one process forms the raw material of the next process. This is upward vertical integration. A good example of this would be where a fruit-farming concern has its own canning factory and marketing organization. Downward integration, on the other hand, is where a marketing organization or a supermarket chain acquires its own canning factory and eventually begins its own farming enterprise to deliver the fruit or vegetables to its own factory. These processes, of course, take place entirely in accordance with the principle of free competition, with the emphasis on competition. In fact, it happens precisely as a result of competition. Thus the canning factory will argue that it can make a bigger profit if it produces its own fruit and is therefore able to acquire its raw material at a lower price than its competitors. On the surface there is no fault to find with this. But what problems result from such a situation? I should like to illustrate these problems in this House today on the basis of the history and the present position of the poultry industry in the Western Cape. I am choosing the poultry industry as an example because the vertical integration process in this industry was so dramatic that it brought about a structural change in the agricultural sector in the Western Cape.

*The MINISTER OF AGRICULTURE. In the entire country.

COMPETITION AND VERTICAL INTEGRATION IN THE AGRICULTURAL INDUSTRY

(Motion)

*Mr. G. J. KOTZE: Mr. Speaker, I move—

The only curative effort made was the dispensing of tetracycline eye ointment by the members when any signs of trouble...

SOUTH AFRICA'S 21 commodity control boards administer the marketing of the vast bulk of the country's R4 000-million a year agricultural production.

They cost R22-million a year to run, employ staffs exceeding 3 000 who earn R5-million a year — and the question of the general public and a section of the farming community has been asking for years is — is all this cost and bureaucracy necessary?

And the broad consensus among consumer organisations, organised commerce and industry and the agricultural unions is that we are better off with them than without them.

The system they say is a good one. With this little fault can be found. It's how the various marketing schemes under the control of the boards are administered that is often cause for concern.

Farmers point to the chaos last year which surrounded the issue of slaughter permits by the Meat Board as an example of bureaucratic bungling. The confusion about egg prices, and the inability to control the gross over-production of eggs.

One major fault in the boards' organisation, the Association of Chambers of Commerce says, is the minimal representation given consumers — one per board. The boards have a heavy overburden of producers. But the agricultural unions claim the boards were set up by producers, and the consumer should be happy to have even a limited representation.

The 21 boards are involved in marketing schemes for potatoes, dried beans, eggs, canning fruit, cotton, karakul skins, wheat, lucerne seed, maize, oil seed, bananas, rooibos tea, deciduous fruit, chicory, citrus, dairy, tobacco, meat and wool, dried fruit and mohair.

The cost of administration in the 1977-78 financial year varied from R36 000 for the Lucerne Seed Board to a massive R4,5-million for the Citrus Board. The Meat Board figure was R3,6-million, Maize R2,9-million and Wheat nearly R2-million.

The PFP's spokesman on agriculture, Mr Philip Myburg, agrees there is a need for control boards but stresses there is a need for improving their performances and of streamlining their operations.

The emphasis should be shifted sharply from the concept of control to that of marketing in the most efficient manner.

The focus should be on the wide gap between what the farmer gets for his product and what the consumer ultimately pays.

It is in this area — where there is either great inefficiency or great exploitation — that the boards should concentrate their efforts. They must strive to close this gap — a move which would benefit consumer and producer.

The gap is startlingly wide in the meat industry. Mr Myburg claims — "so wide in fact one

Board games?

In these times of rising prices, the commodity control boards remain an enigma to many people. GERALD REILLY reports on the pros and cons of the issue.

wonders what the Meat Board is up to."

A similar situation exists in the dairy and other industries. More efficient marketing for instance could make milk and milk products available to lower income groups at a price many could afford.

Meat consumption in South Africa, Mr Myburg claims, has fallen off drastically in recent years. This is due to prices — inflated because of the growing producer-consumer price gap.

The boards appear to be bogged down in old traditional bureaucratic practices which have no place in a modern economy. They should employ marketing professionals to identify the flabby areas between producer and consumer and to expand demand for their products.

The producer-consumer gap in the marketing of some agricultural products is as much as 60%.

The Department of Agricultural Economics and Marketing has a food basket index which at the end of 1978 showed a gap of 46,7%.

Comparisons between the producers share of the consumers rand between 1974 and 1978 bear out Mr Myburg's claim that an investigation into what happens to the money in the gap could lead to substantial reductions in the prices of many products.

In 1974 the farmers' share of the consumer price for grain products was 41,6% compared with 34,2% in 1978, for meat it was 62% in 1974 and 52,8% in 1978, for oil seeds 38,4 and 33,1, for dairy products and eggs 69,7 and 58,5, sugar 43% compared with 32,4%, for fruit 31,1% and 35,3% and for vegetables 34,4% and 31,1%.

The figures show that the farmers' share of the final price is shrinking except in the case of fruit. This it is claimed, is because fruit has been vigorously marketed.

The SA Consumer Council's liaison officer, Mr Mike Hawkins, claims where a more dynamic marketing approach is adopted by boards, the gap between consumer and producer price tends to close.

He points out, however, that concern over rising prices is not a feature unique to the Seventies and Eighties. In 1940 for instance, beef sold for an average of 7,4 pence a pound, in 1948 12,4 pence a pound and by 1959 it had increased, since 1940, by 265% to 27 pence a pound.

Mutton prices showed a similar trend during these years.

Mr Hawkins points that if the current alarming trend is allowed to continue — where the fat cats in the middle's share of the consumer price is rising — the consumer is going to pay increasingly higher prices to give the producer even a very moderate rise.

In the beef industry for instance for the producer to get an extra rand, the consumer has to pay an extra R2.

And, Mr Hawkins stresses, if the trend persists, in seven years time, the consumer will pay an additional R3 to give the producer an additional R1.

This is why Mr Hawkins and other authorities strongly support a concentrated effort being made to investigate the grey area, and reduce the middleman's growing take from escalating consumer prices.

Another increasingly serious consequence of the present system where the farmers' share of the of the consumer rand is shrinking is that farmers unable to meet their costs, and make a reasonable profit, will abandon farming as a career. Many have already done this.

This, as the Minister of Agriculture, Mr Hendrik Schoeman, has pointed out could have disastrous consequences in a country with a potential for unrest. Food shortages can only be avoided if the farmer is given a reasonable return on his invested capital. This cannot be achieved by huge increases in consumer prices, which generate consumer resistance.

It should be the task of the boards to maximise farmers' returns within the context of a reasonable consumer price, economists say.

It should be a prime function of the boards therefore, to adopt more dynamic marketing techniques. To fight for higher prices for producers is not

enough, in fact it could be counter productive.

Demand is closely linked to price in most agricultural products — in dairy products for instance. If, therefore, production is to be extended to a point where food shortages are avoided, production and marketing costs must be kept down to a minimum.

Assocom has a long-standing view that it is inadvisable that one section, the primary producers, should have a mandatory majority on the boards.

It is wrong that the boards are vested with powers to determine trading conditions of third parties, especially since producers' representatives on the boards often have proprietary interests in the agricultural co-operatives.

This, in the view of Assocom, places a curb on free, open and competitive trading.

Assocom wants the boards reconstituted so that no single sectional interest has a majority over any other.

It is obvious, Assocom holds, that under current conditions, with substantial producer majorities on the boards, the viewpoints of consumers — although consumers had a minority representation — was inadequately represented.

Assocom is also opposed to the physical handling and processing of farm products by the boards. This is a task which should be left to the private sector. Currently five boards operate processing plants — the Egg, Banana, Dairy, Chicory and Rooibos Tea Boards.

Assocom also strongly supports the merging of boards where this can be done with economic and other gains.

The establishment of a joint secretariat housed in a single building to serve all the boards would also result in considerable economies. Assocom points out that services, like advertising, could be shared.

Assocom acknowledges that price stabilisation efforts — one of the major functions of the boards — are necessary. It urges, however, that adequate recognition that some price fluctuations serve an indispensable regulatory purpose should be given.

The association points out that day-to-day price fluctuations have proved indispensable to even out the flow of slaughter stock to markets.

Assocom also points out that in determining general agricultural price policies it is of overriding importance that growth be encouraged in the different segments of farming commensurate with production and export potential.

The food needs of the population and their ability to pay should also be a key factor in pricing farming products.

Assocom repeats however that the boards are dominated by producer majorities who, as often as not, are intractable in their price demands.

However, the boards' part in price fixing is, according to the Marketing Act, purely advisory.

The Minister of Agriculture has the final say, on what prices should be.

However, it has seldom happened, since the Act was amended in 1973, that there has been serious disagreement between the boards and the Minister. The Minister normally goes along with the recommendations of the boards.

Assocom says the producer-controlled commodity boards are sometimes praised for their restraint in fixing food prices which are sometimes well below prices in other Western countries.

However, whether this praise is justified or not should be assessed against a background of the low capital incomes in SA — the limited ability to pay — low farm wages and the subsidised rail rates on primary products.

Farmers, the agricultural unions claim, are satisfied that the boards work in their interests and in the interests of the consumer.

The director of the Transvaal Agricultural Union, Mr Flip du Plooy, says organised agriculture is responsible for the introduction of the control board system.

"There is no doubt that farmers generally are satisfied with the performance of the boards. Any interference with the system would meet with an angry and strong resistance."

There are times, Mr Du Plooy concedes, when problems develop but this was more the fault of the human factor than the system itself.

For instance there was grave dissatisfaction last year about the issue of permits to producers by the Meat Board.

"But as long as there is good co-operation and communication between organised agriculture and the boards, the system must work to the benefit of the farmer," he says.

The SA Council of Churches' ombudsman, Mr Eugene Roelofse, condemns the boards out of hand as "money down the drain".

"We'd be far better off without them. They're dominated by producers and middlemen and the voice of the consumer is hardly, if ever, heard — and if heard, it's not listened to."

The system was developed to work for the farmer and the distributor — and this it does very successfully.

On those boards where there is one consumer representative — and there is never more than one — efforts to fight the consumer's cause are "completely ineffectual".

Mr Roelofse believes the country would be far better off without the boards. Prices and distribution of products, he

was measured using three indices:

For full text of debate see Hansard

3 (Control Boards)

Members will notice, the Bill is largely explanatory. It is therefore only necessary for me to comment on its most important provisions.

In terms of the present provisions of the Act, members of control boards may only be appointed for fixed terms of three years, and there is no provision either for the appointment of alternative members in those cases where members by reason of illness or other circumstances are prevented from performing their official duties. Provision is accordingly being made now for the possible appointment of members of control boards for periods shorter than three years and for the appointment of alternate members under certain circumstances. This authorization will facilitate particularly the succession and resignation of members and therefore, in addition, the maintenance of continuity on control boards.

In pursuance of a recommendation of the Commission of Inquiry into the Marketing Act, which reported in 1976, the Act was amended in 1977 to provide for the imposition of general levies on agricultural products, the payment of the proceeds of such levies into a special account and the appropriation of the funds in such special account to defray the expenses of the S.A. Agricultural Union in connection with such of its activities as the Minister may approve. In terms of this provision in the Act approval was also given for funds from the special account to be made available to the S.A. Agricultural Union for the defraying of its organizational and administrative expenses, as well as for defraying the expenses of the specialist and industrial organizations with which the Agricultural Union is affiliated. After a recent investigation into the efficacy of the existing arrangements by the National Marketing Council, it was decided that it would be a more effective arrangement if the Agricultural Union's organizational and administrative expenses only were financed partly from the special account, and the specialist and industrial organizations affiliated with the Agricultural Union looked to the various control boards for contributions for the partial defraying of their expenses. Provision is being made in the Bill for these proposed arrangements.

At present the Act also provides that a control board may, subject to conditions approved by the Minister, appoint the agents

it may deem necessary for the proper performance of its functions. In a strictly legal sense therefore a board may itself decide which of its functions it wishes to have performed by an agent, but the Minister may decide from a policy point of view that it is preferable that duties which a board might want to entrust to an agent should rather be performed by the board itself. Therefore a provision is now being inserted that a board may only appoint an agent to perform such tasks as the Minister may approve.

The Act lays down that a control scheme may provide in a case where a one-channel pool system applies to a product and such pool suffers a loss because a producer produces a quantity of products which differs from the quantity he was by notice, to produce, the board may recover the actual loss from the producer concerned. It may happen, however, that in notices to the board a producer deliberately or negligently specifies incorrect quantities and that, although the board through the redistribution, reassignment or withholding of products may avert a loss for the pool, it may be necessary to penalize the producer concerned by recovering from him the loss which the pool would probably have suffered. Provision has been made for this in clause 8 at the request of the Citrus Board.

Generally the Bill also contains provisions to bring the existing maximum penalties into line with the present jurisdiction of magistrates. As is customary, discussions were held with organized agriculture and the agricultural control boards in regard to the provisions of the Bill.

*Mr. P. A. MYBURGH: Mr Speaker, when we are told that the Government has an agricultural policy for South Africa, then surely the Marketing Act is one of the cornerstones of that policy. It is important, therefore, when we discuss amendments to that Act in this House, as is the case today, that we consider those amendments with great circumspection. The hon the Minister has explained the provisions of the Bill fairly quickly, and we on this side of the House find nothing wrong with most of them. For example, we agree with clause 1 which provides that in future people invited to take part in a vote need not necessarily be White. We appreciate the fact that the element of

MARKETING AMENDMENT BILL

(Second Reading)

*The MINISTER OF AGRICULTURE
Mr. Speaker, I move—

That the Bill be now read a Second Time.

It has become necessary to effect some changes to the Marketing Act and, as hon.

Hansard
4(211)
27/2/80

Public debt
121) 27/2/80
15. Dr. Z. J. DE BEER asked the Minister
of Finance:

4(211) 27/2/80
What was the total amount of the
Republic's public debt as at 31 December
1979?

THE MINISTER OF FINANCE:

R13 010 546 984,52

Marketing Act: agricultural production

16. Mr. P. A. MYBURGH asked the
Minister of Agriculture:

What percentage of South Africa's total
agricultural production in the financial year
1978-79 was not under the control of any
board established under the Marketing Act?

THE MINISTER OF AGRICULTURE:

24,27%

3

Control bds

Hansard 4 (248)

3 (Control Bds)

29.2.80

South African Wool Board
15. Mr. D. J. N. MALCOMES asked the
Minister of Agriculture:

- (1) How were the funds disposed of which were invested by the South African Wool Board over the short term as at 30 June 1978;
- (2) whether all interest due was paid while the funds were invested; if not, why not;
- (3) whether the Board suffered any financial loss in respect of interest or capital; if so, what was (a) the amount of and (b) the reason for the loss?

The DEPUTY MINISTER OF AGRICULTURE:

249

FRIDAY, 29 FEB

- (1) Partly for ogterskot payments to producers. At the request of producers the remainder was added to the Wool Board's fund for the stabilization of the wool industry.
- (2) Yes.
- (3) No.
(a) and (b) Fall away.

Question *17. Mr. H. E. J. van Rensburg—Repl; standing over.

Consumers asked to boycott eggs

Own Correspondent

A MAJOR chain store has asked its customers to join in a countrywide boycott of eggs following the National Egg Producers Co-Operative (nepco's) latest price hike.

Nepco announced this week that the price of extra-large and large eggs would go up by 2c a dozen and medium eggs by 3c a dozen from March 31.

Checkers' Harold Greenstein said yesterday "This price rise — the fourth since December — is absolutely ridiculous. Even worse is Nepco has already indicated a further increase of at least 6c a dozen in April.

"This in anticipation of a maize price increase which hasn't even been announced yet," he said.

"The Egg Control Board has sidestepped the issue by saying they're not responsible for controlling the price of eggs but five of the seven members of the Egg Board with voting rights have either direct or in-

direct associations with Nepco."

Mr Greenstein said the system of free enterprise in egg marketing was a farce. "The Egg Board is forever telling independent producers to cull their hens so they don't over-produce. Some of these independents are selling every egg, yet they have to cull their hens, while Nepco happily carries on over producing. We are fed up with the whole system and hope that the Minister of Agriculture, Mr Hendrik Schoeman, will really put his foot down this time.

"Checkers will be talking to independent producers with a view to them supplying our egg stocks," Mr Greenstein said.

Meanwhile, it's boomtime for other dairy products following the drop in price of cheese and butter in a dairy board bid to get rid of a 100 000-ton surplus. Latest figures show that Checkers' sales for cheese have increased by 300 percent and for butter by 700 percent.

UJET

REGISTRAR (ACADEMIC)

STU13-9 EXAMINATION RESULTS IN FACULTY ARTS
 15036 H.A./LL.B.
 YEAR : 3
 AS AT 29 02 80
 PAGE 1
 15036

STUD NO	SURNAME	FIRST NAMES	COURSE	DESCRIPTION	SYMBOL
101534P	HACX	BRYAN GGCIL	602101	PUBLIC INTERNATIONAL LAW	ABS
115474U	HARPER	GREGORY MARK	602101	PUBLIC INTERNATIONAL LAW	2-
114338E	HACONS	DEWISE ELLEN	604201	ROMAN DUTCH LAW I	1
103069G	LEMIN	DIANE	603202	ROMAN LAW & JURISPRUDENCE IS	(53)
100344V	LOME	SHIRAZ ANTHONY	603202	ROMAN LAW & JURISPRUDENCE IUP	(56)
094440C	MAYU	HENRY	603202	ROMAN LAW & JURISPRUDENCE IUP	(50)
				ROMAN LAW & JURISPRUDENCE IUP	(50)

3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48 49 50 51 52 53 54 55 56 57 58 59 60 61 62 63 64 65

36 35 34 33 32 31 30 29 28 27 26 25 24 23 22 21 20 19 18 17 16 15 14 13 12 11 10 9 8 7 6 5 4 3 2 1

AGRICULTURAL CONTROL BOARDS

We have ways .

FM 4/4/80 3 (Control Boards)

Not so long ago the agricultural control boards used to boast confidently of the positive measures they were taking to promote national, as well as agricultural growth, stability and efficiency.

That was in the heyday of central plan-

ning. Before Wassenaar. Before Botha. Before the expression of free market sympathies returned to fashion. Nowadays board apologists are more inclined to excuse their actions by pleading that they interfere only where it is absolutely neces-

sary.

The humility is refreshing. But the tendency to self-deception hasn't altered much. Close inspection reveals that the level of intervention is generally taken as far as circumstances, politics and market



Local captive markets mean rigid prices

exigencies allow. Voluntary retreats in the face of free market logic are still unusual.

This explains, in great degree, why the boards responsible for export commodities (wool, mohair, citrus, deciduous fruit, dried fruit) have evolved furthest and fastest in response to market needs. Since the minister is powerless to bully their customers for them, they have to resort to more conventional means of justifying their existence to producers. By contrast, those boards which cater for local captive markets (wheat, dairy, maize) still tend to fix rigid prices wherever circumstances allow.

Those that can still get away with it, even continue to base those fixed prices on notional production costs instead of demand. Some boards with floor price schemes (eggs, meat) try the same trick. That's why the system is cracking at the joints.

The first disadvantage of rigid pricing is that it destroys the natural shock absorber which is needed to cushion the receipt of erratic supplies. The second is that it plots out the natural price signal mechanism which would otherwise warn producers when to expand or contract.

Even if fixed prices were fixed "fairly" they would therefore, give rise to alternating gluts and shortages. As it is, political considerations render fair price fixings about as common to agriculture as "normal" weather.

With inbuilt producer-processor majorities, our boards exhibit a subtle tendency to specialise in gluts. Surpluses can be exported, of course, but seldom at prices comparable with those fixed by partisan

locals. So they have to be removed artificially.

The first choice of every embarrassed board is to plead with the minister for a direct subsidy. The Maize Board currently gets R50m a year, most of it earmarked for transport. The Dairy Board wins about R5m to help it gamble with butter. This year the Tobacco Board is tipped for a special subsidy to stop it sinking under the weight of a 9m kg stockpile of poor quality leaf purchased at up to twice its open market value.

The much bigger bread subsidy, channelled through the wheat board, falls into a different category. It actually gets paid out to bakers and consumers — the wheat farmers having been looked after already by means of a price fixed high enough to ensure self sufficiency in a country which would otherwise have been importing.

But direct subsidies are difficult to extract from an exchequer anxious to show voters how little it spends. So the more usual way of subsidising export surpluses is to sting local consumers instead. This policy works well (and surprisingly inconspicuously) with demand-inelastic staples, like maize. But not with butter, eggs, cheese, beef, chicory, or tobacco.

As board after board has found out, there is a limit to consumer loyalty. When local prices are raised to fund export dumping exercises, an unsuspecting board can end up with less money, more butter and a badly dented reputation. Hence direct production controls through quotas and permits.

In the face of adversity the determined *dirigiste* instinctively fumbles for more

controls, even if he does pay lip service to capitalism, and even if the new controls (like those for eggs and meat) fly right in the face of the three groupings whom the boards claim to hold closest to their hearts.

Small and efficient farmers suffer because they aren't allowed to expand or develop their own market outlets. Financially stretched producers suffer because they are denied the cash flow they need to get themselves out of debt. And the housewife suffers because prices are maintained at an artificial level in order to protect incompetence.

Even the slowest and most Marxist of board members must by now be able to see this. Why then the reluctance to face up to facts? Is it just a matter of time before the dairy, egg, meat, maize, wheat, tobacco and cotton boards begin to listen to logic and the Prime Minister, both pointing towards a relaxation of controls? Or is there something greater than their own cussedness holding them all back?

The answer to all those questions lies embedded in another bit of self-deception. Few will ever admit it, least of all to themselves, but the main concern of many members of those boards is no longer simply to protect the individual farmer, or to stabilise prices, or to promote efficiency. It is rather to protect big business interests (especially the co-operatives and milling companies) which would struggle to compete in a more open market.

Banana tentacles

The two recent cases illustrate the point. The Banana Board has just extended its tentacles to encompass most of Natal. Natal's banana co-operative lobbied for the move. Independent ripeners, consumers and some individual growers, especially the small ones and Indians, lobbied against.

Plans have been drawn up to mellow the Banana Board after this move, and delegate monopoly powers for ripening and distribution to a central co-operative on much the same basis as the Citrus Board has already transferred all of its monopoly powers to the Co-operative Citrus Exchange.

Similarly the Egg Board, having contrived an almost perpetual surplus by misusing its floor price scheme (to obvious advantage of companies selling feedstuffs) has spent most of the last few years trying to prop up Nepco, an unwieldy co-operative — knobbed together by the three biggest (and quite like least efficient) producers — all of whom are controlled by milling groups.

For once the independent producer has seen through the ruse. Those who were persuaded to join in 1978 are backing out in sufficient numbers to ensure that, for the foreseeable future at least, the co-operative will be denied the monopoly it set out to gain.

Call to axe control boards

3 control boards
10/4/80
Argus

Argus Correspondent
PRETORIA. — The agricultural control board system in South Africa is under siege.

A survey found that while not all control boards were criticised, some were accused of:

- Contributing to inefficient farming and over-production through fixed prices and guaranteed purchase of surplus products.
- Exporting surplus products at a loss when they could be disposed of locally at reduced prices to the benefit of consumers.
- Acting against the best interests of their industries by restricting market-

ing of products or entry into an industry or by controlling production.

- Being dominated by big producers who disregard the interests of small farmers and of consumers.

The 5 000-strong Housewives League of South Africa suggested that the role of the boards should be reconsidered.

They had eliminated competition among producers but had not substituted anything in its place said the league's president, Mrs Joy Hurwitz.

Mrs Hurwitz said the boards themselves should now be controlled 'to ensure they do not use their extraordinary powers to exploit the consumer.'

A leading academic suggested the whole system of control over agricultural marketing and prices should be investigated with a view to giving the market price mechanism a greater role.

It was also suggested that certain boards should amalgamate.

Tamatieraad wek onmin

3 CONTROL BOARDS

GROOT onenigheid het onder die land se tamatieprodusente ontwikkel oor die instelling van die voorgestelde tamatiebeheerraad. Beskuldigings word oor en weer gemaak en monstervergaderings word gereël om die voorgestelde raad te bespreek.

Die ontevrede partye sê die mense ten gunste van die nuwe beheerraad probeer hulle in iets stoomroller waarin hulle nie wil wees nie en dat die raad hoofsaaklik in die belang van die mense sal wees wat dit nou sterk propageer.

Die partye ten gunste van die raad sê niks word op enigiemand afgedwing nie en dit is jammer dat die vlak van ontwikkeling van groenteboere so laag is dat daar nou oor dié onderwerp rusie gemaak word.

Die geskil het laat verlede jaar kop uitgesteek toe 'n konsepskema oor die voorgestelde raad wat deur die Transvaalse Landbou-Unie opgestel is en aan boereverenigings uitgestuur is, in die Staatkoerant gepubliseer is.

Sterk kritiek is ontvang omdat beswaarmakers net 'n maand gegun is om kommentaar daarop te lewer. Uitstel van ses maande is daarna verkry.

'n Studiekomitee is toe saamgestel waarin distrikte wat met die skema ontevrede was, verteenwoordiging gekry het. Volgens die komiteesekretaris van die Transvaalse Landbou-unie, mnr. H. W. Oberholzer, het die komitee lede wysigings aan die oorspronklike voorstelle aangebring en dit daarna aanvaar.

Die segman van diegene wat teen die beheerraad gekamp is, mnr. Johann

Geysler, van Hekpoort, sê hierdie stelling is heeltemal verkeerd. Die studiekomitee was daar om die skema te bestudeer, nie om dit aan te beveel nie.

Wat meer is, hy beweer dat alles nie juis was met die stemmery wat op die daaropvolgende vergadering op 20 Februarie deur Transvaalse Landbou-Unie se groentekomitee gehou is nie. Die gewysigde skema is daar tot stemming gebring en met 'n groot meerderheid aanvaar.

Mnr. Geysler sê hy het reeds oor hierdie stemming aan die Minister van Landbou en die Landbou-Unie geskryf, maar het nog geen antwoord ontvang nie.

Mnr. Geysler beweer dat die tamatieprodusente in die distrikte van Koster, Vereeniging, Heidelberg, Brits, Hekpoort, Marikana, Rustenburg, Randfontein en lede van die Marco-koöperasie teen die instelling van die raad gekant is. Hy tree namens die ontevredenes op.

Die grootste voorstander van die nuwe raad is ook die grootste tamatieprodusent in Suid-Afrika en voorsitter van die Varsbemarkingskomitee van die Landbou-Unie. Hy is mnr. Bertie van Zyl.

Mnr. Van Zyl produseer sowat 12 persent van die land se tamaties en sowat 25 persent van die Transvaalse produksie. Hy sê hierdie posisie is veral 'n

bron van ontevredenheid, omdat klein produsente dit as 'n negatiewe ding sien.

Volgens hom is dit logies dat beheer oor groente nou uitgebrei moet word, want dit is die enigste wesenlike landbouprodukte wat nog nie beheer word nie. 'n Tamatiebeheerraad is die eerste stap in hierdie rigting. Artappels het reeds 'n beheerraad.

Bewerings dat die voorgestelde raad aanplanting- en produksiebeheer wil instel, word deur hom ontken. Die hoofdoel van die raad moet wees om in tye van oorproduksie die tamaties van 'n swak gehalte van die mark te weer. Verder moet die raad boere laat registreer en 'n versamelaar van inligting wees.

Die raad word op

niemand afgedwing nie, want dit is pas weer vir 'n jaar uitgestel, sê hy. Diegene wat teen die raad gekant is weet egter nog nie van hierdie uitstel nie en beskou dit net as 'n manier om mense te kalmeer.

Mnr. Van Zyl sê die raad se koste behoort in die eerste jaar nie meer as R250 000 te wees nie. Mnr. Geysler sê die raad sal produsente en die verbruiker uiteindelik R8 miljoen per jaar kos. Hierdie koste en mnr. Van Zyl se plan om swak vrugte van die mark weg te hou sal baie produsente eenvoudig teen 'n verlies laat produseer.

Talle vergaderings is reeds deur produsente oor die voorgestelde raad gehou en mnr. Van Zyl en Geysler ry rond om ondersteuners vir hul onderskeie standpunte te werf. Hulle tree Dinsdag saam op Pietermaritzburg op en vroeg aanstaande maand word 'n monstervergadering op Brits gehou.

.....	Initials		
-------	----------	--	--

(per)

WARNING

1. No books, notes, pieces of paper or other material may be brought into the examination room unless candidates are so instructed.
2. Candidates are not to communicate with other candidates or with any person except the invigilator.
3. No part of an answer book is to be torn out.
4. All answer books must be handed to the commissioner or to an invigilator before leaving the examination.

The use of a ball point pen is acceptable. Red or green ink may be used only for underlining, emphasis or for diagrams, for which pencil may also be used.

4. Names must be printed on each separate sheet (e.g. graph paper) where sheets additional to examination book(s) are used.

Any dishonesty will render the candidate liable to disqualification and to possible exclusion from the University

Wool Board's Rand Bank Loss only R182 000

BLOEMFONTEIN. — The Wool Board would show a loss of only R182 679 in its financial statements and not R520 696 as was theoretically calculated by the Auditor-General, said the president of the National Wool Growers Association and chairman of the Wool Board, Mr Pieter Van Rooyen, in Bloemfontein last night.

He was commenting in his presidential address to the annual congress of the NWGA on the Wool Board's loss on its Rand-Bank investment.

Mr Van Rooyen said the Wool Board had had long discussions with the Auditor-General's staff before the report on the loss of R500 000 was brought out.

"We differed greatly on the method of calculating the so-called loss as our own auditors, other auditors we had been in contact with, as well as some of our foremost financial establishments, made it clear to the Wool Board that the method of calculation was purely academic and should be calculated according to commercial practice, the board's loss would only amount to three cents in the rand, or R92 100, plus R90 579 interest — a total loss of R182 679.

"The staff of the Auditor-General rejected our representations and announced a so-called loss of more than R500 000," Mr Van Rooyen said.

The media as well as certain politicians grabbed this opportunity to try to get at the Wool Board and controlled marketing as such. The Wool Board was even summoned to appear before a Select Committee of Parliament because of so-called mismanagement of statutory funds.

The Wool Board, in the interview with the Select Committee, strongly objected to the treatment it had received at a time of embarrassment when the unfortunate loss was "unnecessarily" blown out of proportion.

Further talks were held with the Auditor-General, who admitted that the loss, according to commercial practice, was only R182 679.

Mr Van Rooyen said he was sorry about this loss, but the board was a financial undertaking which had to, and would continue to, run commercial risks.

In recent years the Wool Board had earned about R1 million extra in interest, apart from what it would have earned in so-called safe-undertakings compared with the loss of R182 679.

Mr Van Rooyen assured wool-growers that the board would continue to market their wool and invest their reserves in the industry's interests.

31
201
1002
23/7/50

Plan for tomato control board condemned by consumer bodies

3 (Control Bds)
57 1972
4/19/80

Fair Deal Reporter

Consumer organisations and supermarket chains have condemned plans to establish a Tomato Board.

But the South African Agricultural Union is going ahead with its plans to establish the board, claiming that it will bring about orderly marketing of tomatoes.

Consumer organisations have criticised the move, saying it would not be in the interest of the consumer and that South Africa had too many boards already.

But the chairman of the fresh produce marketing committee of the SAAU, Mr Bertie van Zyl, said stability in the tomato industry would be in the interests of the producer and the consumer would

benefit price-wise and quality-wise.

Two months ago, the Minister of Agriculture rejected the proposed board after the SAAU had asked for a six-month extension to re-draft proposals.

Earlier proposals had been rejected by farmers who feared that, with the control of lower grade tomatoes, large producers would get bigger and it would disrupt the free enterprise system.

There is no need for a board to control tomatoes, said Mrs Joy Hurwitz of the Housewives League.

"Consumers enjoy a seasonal drop in price when there is a surplus and I don't see why there should be a control on that," she said.

FAIR DEAL

Agricultural co-operatives have always been contentious, with private sector executives accusing them of having unfair advantages. In the last few years their powers and growth have burgeoned. Probably none are more contentious than those involved in the meat industry. CHARLENE BELTRAMO of Fair Deal reports . . .

In the midst of the nation-wide row over still - soaring meat prices is a giant farmer co-operative, the Veissentraal. It handles more than half South Africa's red-meat industry.

The biggest co-op in the country, Veissentraal is composed of 30 smaller, regional co-ops.

It's involvement in all facets of the industry reaches from government to the butcher's counter. Co-ops and the Veissentraal are a complex web of interests. It will tax the investigative role of the proposed judicial commission of inquiry into the industry.

Veissentraal, virtually controls the meat committee of the SA Agricultural Union and the Meat Board — a the chart on

wandering entrepreneurs. The oldest, existing co-op is National Co-operative Dairies — NCD. The majority of the co-ops came into existence after the Anglo-Boer War, when the Government brought out an Irish and a Danish co-operative leader to spread the co-op message to South African farmers.

Probably the oldest meat co-op is Boeremakelaars (BKKE), which has a strong influence on co-operatives. The present Act is being re-written and should be tabled next year.

Initially co-operatives were listed as private enterprises, not for gain, and until April 1977 were taxed. As a result their potential for growth was enormous.

In 1949 co-ops had an annual turnover of R55.7-million, by 1980 this had increased almost four

times and was up to R242-million.

Since 1970 alone total co-op turnover has increased almost 400 percent.

In 1970 the total turnover for all (inter-linking) co-ops was R1 298-million. In the next five years, it more than doubled to R2 794-million. By 1979 total turnover had soared again to R3 030.2-million.

The grain co-ops had a total form with a total turnover in 1979 of R2 234-million.

Here it is just as well to note that South Africa's biggest maize farmers are also the biggest beef producers, because next are the livestock co-ops. They had a total turnover last year of R1 026.3-million.

The livestock co-ops (falling under the net of Veissentraal) handle most

of the meat slaughtered in controlled areas: 43 percent of cattle, 53 percent of sheep and 22 percent of pigs.

They also handled 76 percent of the R98.5-million worth of red meat exported from South Africa last year and have their own abattoir facilities which meet international requirements.

In addition they act as agents for most meat imports. The Meat Board has already said 14 to 18 percent of red meat needs for this year would come from international sources.

And no wonder — instead of almost R3 a kilogram for beef (auction prices) here, imports are already being negotiated from north European countries at about R1.20 to R1.50 a kilogram. This is despite a chronic world shortage of meat, which has yet to be felt here.

During one of the most bitter periods of the struggle between the consumer and the former Minister of Agriculture, Mr Hendrik Schoeman, for an investigation into the meat industry, Mr Schoeman said he had received telegrams from agricultural unions asking him NOT to appoint a commission of inquiry.

(He is, however, quoted in Hansard as saying earlier on that farmers were keeping him awake at night by telephoning him with complaints.)

But it's worth noting that in much the same way as these co-ops are strongly represented on the SAOU they play major roles on local agricultural committees and are members of the Meat Board.

Mr J J Eksteen, as an example, is a member of the Meat Board as well as a member of the Abattoir Commission and a director of Boeremakelaars Bepark — part of Veissentraal.

He is a member of two other co-ops; he is on the SAOU meat committee; a member of the general council of the SAOU and chairman of the SAOU sheep committee.

Another Meat Board member, Mr B G Bronn, a director of Transvaal Lewende Hawe (a Veissentraal offshoot) is also represented on agricultural unions.

He serves on the executive of the Ellisras District Agricultural Union.

Mr Bronn is also vice-chairman of the cattle committee of the Transvaal Agricultural Union and is on the cattle and meat committee of the SAOU.

Mr A J Liebenberg, another Meat Board member, is managing director of Roers Meat Packers, president of the Federation of SA Country Retail Butchers and a member of the Swardland Farmers' Association and of this Swartland Agricultural Union.

Mr Liebenberg was cited in reports about the SWA/Namibia Com-

To facing

From previous page.

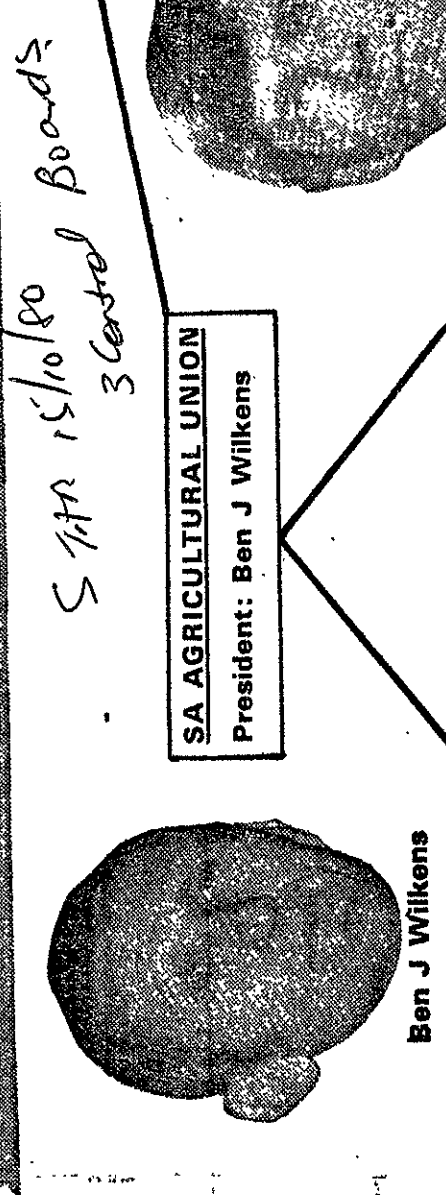
Mr Hendrik Schoeman, is also a member of co-operatives. Four of his farms are devoted to livestock, and two of these to feedlot farming. Mr Schoeman told Fair Deal he had been a member of Transvaal Lewende Hawe Ko-Op for 25 years.

This co-op is a subsidiary of Veissentraal. Mr

the biggest farmers in the country, with 82 farms). Mr Hendrik Schoeman, is also a member of co-operatives. Four of his farms are devoted to livestock, and two of these to feedlot farming. Mr Schoeman told Fair Deal he had been a member of Transvaal Lewende Hawe Ko-Op for 25 years.

This co-op is a subsidiary of Veissentraal. Mr

The great co-op octopus



The diagram below clearly shows the powerful hold Veissentraal has on all controlling aspects of the meat industry. Not included among the Meat Board list of members is a vacancy and two non-meat industry members.

Schoeman said he would have had zoomed to R48-million. Turnover almost doubled again in the three years to 1978, when it topped R750-million. However, last year its growth was quieter with an increase in turnover of R2-million.

However, in that year its total income rose R7-million, from R24.5-million in 1977 to R31.2-million in 1978.

Although their interests have increased in those sectors since then, it is difficult to determine precisely how much.

The council in its report said: "The Meat Board's policy of allocating butchers in departments in 40 percent of retail butchers interests in the meat industry, rather than direct to the abattoir, is a

lion (1978) to more than R33.3-million last year. Veissentraal also has a half share with Imperial Cold Storage in Bull Brand.

These two and Kanhyam (controlled by the General Mining group) had interests in 1978 in 40 percent of retail butchers ment stores to vested interests in the meat industry, rather than direct to the abattoir, is a

Compiled by: Charlene Beltramo

From previous page.

Mr Liebenberg was cited in reports about the SWA/Namibia Com-

SAOU meat committee; a member of the general council of the SAOU and chairman of the SAOU sheep committee.

Another Meat Board member, Mr B G Bronn, a director of Transvaal Lewende Hawe (a Veissentraal offshoot) is also represented on agricultural unions.

He serves on the executive of the Ellisras District Agricultural Union.

Mr Bronn is also vice-chairman of the cattle committee of the Transvaal Agricultural Union and is on the cattle and meat committee of the SAOU.

Mr A J Liebenberg, another Meat Board member, is managing director of Roers Meat Packers, president of the Federation of SA Country Retail Butchers and a member of the Swardland Farmers' Association and of this Swartland Agricultural Union.

Mr Liebenberg was cited in reports about the SWA/Namibia Com-

To facing

From previous page.

Mr Hendrik Schoeman, is also a member of co-operatives. Four of his farms are devoted to livestock, and two of these to feedlot farming. Mr Schoeman told Fair Deal he had been a member of Transvaal Lewende Hawe Ko-Op for 25 years.

This co-op is a subsidiary of Veissentraal. Mr

the biggest farmers in the country, with 82 farms).

Mr Hendrik Schoeman, is also a member of co-operatives. Four of his farms are devoted to livestock, and two of these to feedlot farming. Mr Schoeman told Fair Deal he had been a member of Transvaal Lewende Hawe Ko-Op for 25 years.

This co-op is a subsidiary of Veissentraal. Mr

the biggest farmers in the country, with 82 farms).

From previous page.

Mr Hendrik Schoeman, is also a member of co-operatives. Four of his farms are devoted to livestock, and two of these to feedlot farming. Mr Schoeman told Fair Deal he had been a member of Transvaal Lewende Hawe Ko-Op for 25 years.

This co-op is a subsidiary of Veissentraal. Mr

the biggest farmers in the country, with 82 farms).

Mr Hendrik Schoeman, is also a member of co-operatives. Four of his farms are devoted to livestock, and two of these to feedlot farming. Mr Schoeman told Fair Deal he had been a member of Transvaal Lewende Hawe Ko-Op for 25 years.

This co-op is a subsidiary of Veissentraal. Mr

the biggest farmers in the country, with 82 farms).

From previous page.

Mr Hendrik Schoeman, is also a member of co-operatives. Four of his farms are devoted to livestock, and two of these to feedlot farming. Mr Schoeman told Fair Deal he had been a member of Transvaal Lewende Hawe Ko-Op for 25 years.

This co-op is a subsidiary of Veissentraal. Mr

the biggest farmers in the country, with 82 farms).

Mr Hendrik Schoeman, is also a member of co-operatives. Four of his farms are devoted to livestock, and two of these to feedlot farming. Mr Schoeman told Fair Deal he had been a member of Transvaal Lewende Hawe Ko-Op for 25 years.

This co-op is a subsidiary of Veissentraal. Mr

the biggest farmers in the country, with 82 farms).

The most powerful voting bloc in the country...

There are about 74 000 farmers in South Africa and probably less than 0,5 percent DON'T belong to an agricultural co-operative.

The power of the co-operatives is immense. Their members include Cabinet Ministers and other senior government officials. Together they form easily the most

powerful voting bloc in the country.

Farmer members are guaranteed 8 percent on share capital. Those who market a lot and often through their co-op can expect to receive healthy bonus cheques — profit distributed on the turnover of the co-op member. Yet the shareholding of all members is equal.

Vleissentraal is by far the biggest co-op, with an annual turnover of R750-million.

This is made all the more remarkable because while other co-ops are involved in more than one agricultural or other field, Vleissentraal is involved in only one — meat.

Sentraal-Wes, although not of the same type, is the second biggest, with an annual turnover of R664-million.

Sentraal-Wes is involved in the sale of farm implements and machinery, fertiliser, maize and eggs, it even has its own

edible-oil refinery. It is involved in everything except meat.

Four co-ops are involved in Exxol, an oil company, and others have shares in Trek, another petroleum company.

"In 60 years the Land Bank (moneylender to South Africa's farmers) has not had a single bad debt," according to Dr K van Niekerk of the SAAU.

This, he claims, is because the bank has an arrangement with the co-ops, for a commission of about three percent, for the co-ops to handle farmers' financial affairs.

But the co-ops also restrict business with outside firms. Even if it is the only supply outlet in a tiny dorp a co-op cannot sell a gram of flour to the local schoolmaster without ministerial approval.

At present co-ops can do 10 percent non-member business (with ministerial approval only). But as they get taxed for this at corporate rates, the co-operative council of the SAAU is pushing for legislation to cut this business down to 5 percent.

Co-ops were taxed for the first time in April, 1977 — 14 years after the Steenkamp Commission recommended they be taxed.

In return for being taxed on surpluses, co-ops were allowed to spread their tentacles even further. Now there is not a single agricultural item they cannot supply farmers — from tractors down to light bulbs, workers' overalls and torch batteries.

Barely a single agricultural function they cannot perform... from manufacturing the fertiliser, to growing the crops, marketing the livestock, slaughtering it, packaging, selling.

They do it all.

The Diederichs connection

The controversy surrounding the estate of the late State President, Dr Nico Diederichs, had an unexpected twist by reviving old meat controversies.

In 1972, Dr Diederichs, then Minister of Finance, wrote to his colleague, Mr Ben Schoeman, then Minister of Transport, on behalf of a Greek shipping company, Meandros Lines.

This line, which carried meat between Durban and Greece, became the subject of a scandal in 1974, when an official inquiry was launched into coal contracts, centring on its South African agents, Faros Shipping Enterprises.

In his letter Dr Diederichs asked Mr Schoeman to give advice on how Meandros Lines could be considered for South African coal contracts.

It was thought that shortly afterwards Mean-

dro stopped meat shipments, but it in fact emerged during questions raised in Parliament in 1975.

Senator Monty Crook, who exposed the Faros coal-contract scandal, put several questions to the then Minister of Agriculture, Mr Hendrik Schoeman, about 230 tons of meat returned to South Africa from Greece.

Mr Schoeman, at that time, was ultimately responsible for the granting of export or import quotas for meat.

The meat formed part of a shipment of 10 000 tons of frozen beef, with an estimated value of R11-million, exported to Greece more than two years earlier.

It lay in cold storage at Piraeus — Meandros headquarters — for that time, following a distribution ban after revelation of a big meat import scandal in Greece in 1973.

Not much response was forthcoming about Senator Crook's questions re-

garding the meat, other than that it was exported by Vleissentraal (the huge farmers co-op) and one of its subsidiaries Brixton Wholesale and Meat Suppliers, Johannesburg.

Dr Diederichs was fairly extensively involved in cattle ranching, and was known to have marketed his meat through Vleissentraal.

He was listed as a director of a cattle ranching and farming company called Styranic Ranches, with a Yugoslav immigrant Mr R Sakoto.

Two members of his family were also listed as directors; Mr M Jordaan — an Iscor economist formerly married to a Diederichs daughter — and another son-in-law, Mr Ben Wilkens.

Mr Wilkens is the Member of Parliament for Carletonville, chairman of the Maize Board and president of the SA Agricultural Union. He is one of the most prominent and wealthiest farmers in South Africa.



STAATSKOERANT
VAN DIE REPUBLIEK VAN SUID-AFRIKA
REPUBLIC OF SOUTH AFRICA
GOVERNMENT GAZETTE

REGULASIEKOERANT No. 3074 PRYS + 1c AVB 20c PRICE + 1c GST REGULATION GAZETTE No. 3074
 As 'n Nuusblad by die Poskantoor Geregistreer BUITELANDS 30c ABROAD Registered at the Post Office as a Newspaper
 POSVRY - POST FREE

Vol. 183]

PRETORIA, 26 SEPTEMBER 1980

[No. 7232

PROKLAMASIE

van die Staatspresident van die Republiek van Suid-Afrika

No. R. 184, 1980

EIERBEHEERSKEMA.—WYSIGING

Nademaal die Minister van Landbou en Visserye kragtens artikel 9 (2) (c), saamgelees met artikel 15 (3), van die Bemarkingswet, 1968 (Wet 59 van 1968), die voorgestelde wysiging in die Bylae hiervan uiteengesit, van die Eierbeheerskema afgekondig by Proklamasie R. 64 van 1963, soos gewysig, aangencem het, en kragtens artikel 12 (1) (b) van genoemde Wet goedkeuring van die voorgestelde wysiging aanbeveel het;

So is dit dat ek kragtens die bevoegdheid my verleen by artikel 14 (1) (a) saamgelees met die genoemde artikel 15 (3) van genoemde Wet, hierby verklaar dat die genoemde wysigings op die datum van publikasie hiervan in werking tree.

Gegee onder my Hand en die Seël van die Republiek van Suid-Afrika te Bloemfontein, op hede die Negende dag van September Eenduisend Negehonderd-en-tagtig.

M. VILJOEN, Staatspresident.

Op las van die Staatspresident-in-rade:

H. S. J. SCHOEMAN,

BYLAE

Die Eierbeheerskema, afgekondig by Proklamasie R. 64 van 1963, soos gewysig, word hierby soos volg verder gewysig:

1. Artikel 8 word hierby gewysig deur subartikel (1) deur die volgende subartikel te vervang:

“(1) 'n Lid van die Raad word behoudens die bepalinge van artikel 28 (1) (b) van die Wet deur die Minister aangestel vir die tydperk wat hy bepaal, maar van hoogstens drie jaar: Met dien verstande dat geen persoon wat 68 jaar of ouer is as lid aangestel mag word nie.”

306—A

PROCLAMATION

by the State President of the Republic of South Africa

No. R. 184, 1980

EGG CONTROL SCHEME.—AMENDMENT

Whereas the Minister of Agriculture and Fisheries has, in terms of section 9 (2) (c), read with section 15 (3), of the Marketing Act, 1968 (Act 59 of 1968), accepted the proposed amendment as set out in the Schedule hereto, to the Egg Control Scheme, published by Proclamation R. 64 of 1963, as amended, and has, in terms of section 12 (1) (b) of the said Act, recommended the approval of the proposed amendment;

Now, therefore, under the powers vested in me by section 14 (1) (a) read with the said section 15 (3) of the said Act, I hereby declare that the said amendment shall come into operation on the date of publication hereof.

Given under my Hand and the Seal of the Republic of South Africa at Bloemfontein this Ninth day of September, One thousand Nine hundred and Eighty.

M. VILJOEN, State President.

By Order of the State President-in-Council:

H. S. J. SCHOEMAN.

SCHEDULE

The Egg Control Scheme, published by Proclamation R. 64 of 1963, as amended, is hereby further amended as follows:

1. Section 8 is hereby amended by the substitution for subsection (1) of the following subsection.

“(1) A member of the Board shall, subject to the provisions of section 28 (1) (b) of the Act, be appointed by the Minister for such a period, not exceeding three years, as he may determine: Provided that no person of the age of 68 years or more shall be appointed as a member.”

7232—1

for full text see gg.



REPUBLIC OF SOUTH AFRICA
GOVERNMENT GAZETTE
STAATSKOERANT
 VAN DIE REPUBLIEK VAN SUID-AFRIKA

PRICE + 1c GST 20c PRYS + 1c AVB
 Registered at the Post Office as a Newspaper ABROAD 30c BUITELANDS As 'n Nuusblad by die Poskantoor Geregistreer
 POST FREE · POSVRY

Vol. 185]

PRETORIA, 21 NOVEMBER 1980

[No. 7301

PROCLAMATION

by the State President of the Republic of South Africa

No. 234, 1980

DAIRY CONTROL SCHEME.—AMENDMENT

Whereas the Minister of Agriculture and Fisheries has in terms of section 9 (2) (c), read with section 15 (3), of the Marketing Act, 1968 (Act 59 of 1968), accepted the proposed amendment as set out in the Schedule hereto, to the Dairy Control Scheme, published by Proclamation R. 290 of 1978, as amended, and has, in terms of section 12 (1) (b) of the said Act, recommended the approval of the proposed amendment;

Now, therefore, under the powers vested in me by section 14 (1) (a) read with the said section 15 (3) of the said Act, I hereby declare that the said amendment shall come into operation on the date of publication hereof.

Given under my Hand and the Seal of the Republic of South Africa at Pretoria this Fourth day of November, One thousand Nine hundred and Eighty.

M. VILJOEN, State President.

By Order of the State President-in-Council:

P. T. C. DU PLESSIS.

SCHEDULE

The Dairy Control Scheme, published by Proclamation R. 290 of 1978, as amended, is hereby further amended by—

(a) the deletion of the word "Empangeni" where it appears in subparagraph (iii) (aa) of section 1;

(b) the deletion of the words "Richards Bay" where it appears in section 1 (iii) (cc);

(c) the insertion after the areas mentioned in subparagraph (iii) (dd) of section 1 of the following areas:

"Bevro, Craigley, Ifafa Lagoon, Lynnfield Park, Mount Moreland, Plessislaer, Port Zimbali, Rietrivier, Roode Krans, Sterkspruit and Waterfall";

(d) the insertion after the areas mentioned in subparagraph (iii) (ee) of section 1 of the following areas:

"Albersville, Buffels Draai, Fox Hill, Hazelmere, Manderston, Merlewoud, Seaforth, Willow Glen and Woodland Lodge."

396—A

PROKLAMASIE

van die Staatspresident van die Republiek van Suid-Afrika

No. 234, 1980

SUIWELBEHEERSKEMA.—WYSIGING

Nademaal die Minister van Landbou en Visserye kragtens artikel 9 (2) (c), saamgelees met artikel 15 (3), van die Bemerkingswet, 1968 (Wet 59 van 1968), die voorgestelde wysiging in die Bylae hiervan uiteengesit, van die Suiwelbeheerskema afgekondig by Proklamasie R. 290 van 1978, soos gewysig, aangeneem het, en kragtens artikel 12 (1) (b) van genoemde Wet goedkeuring van die voorgestelde wysiging aanbeveel het;

So is dit dat ek kragtens die bevoegdheid my verleen by artukel 14 (1) (a), saamgelees met die genoemde artikel 15 (3) van genoemde Wet, hierby verklaar dat die genoemde wysiging op die datum van publikasie hiervan in werking tree.

Gegee onder my Hand en die Seël van die Republiek van Suid-Afrika te Pretoria, op hede die Vierde dag van November Eenduisend Negehonderd-en-tagtig.

M. VILJOEN, Staatspresident.

Op las van die Staatspresident-in-rade:

P. T. C. DU PLESSIS.

BYLAE

Die Suiwelbeheerskema, afgekondig by Proklamasie R. 290 van 1978, soos gewysig, word hierby verder gewysig deur—

(a) die weglating van die woord "Empangeni" waar dit voorkom in subparagraaf (iii) (aa) van artikel 1;

(b) die weglating van die woorde "Richards Bay" waar dit voorkom in subparagraaf (iii) (cc) van artikel 1;

(c) die volgende gebiede by die gebiede genoem in subparagraaf (iii) (dd) van artikel 1 te voeg:

"Bevro, Craigley, Ifafa Lagoon, Lynnfield Park, Mount Moreland, Plessislaer, Port Zimbali, Rietrivier, Roode Krans, Sterkspruit en Waterfall";

(d) die volgende gebiede by die gebiede genoem in subparagraaf (iii) (ee) van artikel 1 te voeg:

"Albersville, Buffels Draai, Fox Hill, Hazelmere, Manderston, Merlewoud, Seaforth, Willow Glen en Woodland Lodge."

for full text see gov. gazette



REPUBLIC OF SOUTH AFRICA
GOVERNMENT GAZETTE
STAATSKOERANT
 VAN DIE REPUBLIEK VAN SUID-AFRIKA

REGULATION GAZETTE No. 3104 PRICE + 1c GST 20c PRYS + 1c AVB RFGULASIEKOFRANT No. 3104
 Registered at the Post Office as a Newspaper ABROAD 30c BUITELANDS As 'n Nuusblad by die Poskantoor Geregistreer
 POST FREE · POSVRY

Vol. 185]

PRETORIA, 28 NOVEMBER 1980

[No. 7312

PROCLAMATION

*by the State President of the Republic of
 South Africa*

No. R. 240, 1980

DAIRY CONTROL SCHEME.—AMENDMENT

Whereas the Minister of Agriculture and Fisheries has, in terms of section 9 (2) (c), read with section 15 (3), of the Marketing Act, 1968 (Act 59 of 1968), accepted the proposed amendment set out in the Schedule hereto, to the Dairy Control Scheme, published by Proclamation R. 290 of 1978, as amended, and has, in terms of section 12 (1) (b) of the said Act, recommended the approval of the proposed amendment;

Now, therefore, under the powers vested in me by section 14 (1) (a), read with the said section 15 (3) of the said Act, I hereby declare that the said amendment shall come into operation on the date of publication hereof.

Given under my Hand and the Seal of the Republic of South Africa at Warmbaths (Tvl) this Fourteenth day of November, One thousand Nine hundred and Eighty.

M. VILJOEN, State President.

By Order of the State President-in-Council:

P. T. C. DU PLESSIS.

SCHEDULE

The Dairy Control Scheme published by Proclamation R. 290 of 1978, as amended, is hereby further amended—

(a) by the addition after subsection (6) of section 33 of the following subsection:

“(7) For the purposes of subsection (1) any quantity of fresh milk sold outside a controlled area to a distributor or producer-distributor who is registered with the Board in respect of a controlled area and whose receiving premises are situated outside such controlled area, shall be deemed to have been sold within such controlled area.”; and

387—A

PROKLAMASIE

*van die Staatspresident van die Republiek van
 Suid-Afrika*

No. R. 240, 1980

SUIWELBEHEERSKEMA.—WYSIGING

Nademaal die Minister van Landbou en Visserie kragtens artikel 9 (2) (c), saamgelees met artikel 15 (3), van die Bemarkingswet, 1968 (Wet 59 van 1968), die voorgestelde wysiging in die Bylae hiervan uiteengesit, van die Suiwelbeheerskema afgekondig by Proklamasie R. 290 van 1978, soos gewysig, aangeneem het, en kragtens artikel 12 (1) (b) van genoemde Wet goedkeuring van die voorgestelde wysiging aanbeveel het;

So is dit dat ek kragtens die bevoegdheid my verleen by artikel 14 (1) (a), saamgelees met die genoemde artikel 15 (3) van genoemde Wet, hierby verklaar dat die genoemde wysigings op die datum van publikasie hiervan in werking tree.

Gegee onder my Hand en die Seël van die Republiek van Suid-Afrika te Warmbad (Tvl.), op hede die Veertiende dag van November Eenduisend Negenhonderden-tagtig.

M. VILJOEN, Staatspresident.

Op las van die Staatspresident-in-rade:

P. T. C. DU PLESSIS.

BYLAE

Die Suiwelbeheerskema afgekondig by Proklamasie R. 290 van 1978, soos gewysig, word hierby verder gewysig—

(a) deur na subartikel (6) van artikel 33 die volgende subartikel by te voeg:

“(7) By die toepassing van subartikel (1) word varsmelk wat aan 'n distribueerder of produsent-distribueerder, wat by die Raad ten opsigte van 'n beheerde gebied geregistreer is en wie se ontvangperseel buite sodanige gebied geleë is, buite sodanige beheerde gebied verkoop word geag binne sodanige beheerde gebied verkoop te gewees het.”; en

for full text

see 98

7312—1

7312

AGRICULTURE - OTHERS.

CONTROL BOARDS.

9/1/81 - 6/10/81

No. R. 8, 1981

VEE- EN VLEISREËLINGSKEMA.—WYSIGING

Nademaal die Minister van Landbou en Visserie kragtens artikel 9 (2) (c), saamgelees met artikel 15 (3) van die Bemerkingswet, 1968 (Wet 59 van 1968), die voorgestelde wysiging in die Bylae hiervan uiteengesit van die Vee- en Vleisreëlingskema, afgekondig by Proklamasie R. 200 van 1964, soos gewysig, aangeneem het en kragtens artikel 12 (1) (b) van genoemde Wet, goedkeuring van genoemde wysiging aanbeveel het;

456—A

No. R. 8, 1981

LIVESTOCK AND MEAT CONTROL SCHEME.—AMENDMENT

Whereas the Minister of Agriculture and Fisheries has, in terms of section 9 (2) (c), read with section 15 (3) of the Marketing Act, 1968 (Act 59 of 1968), accepted the proposed amendment set out in the Schedule hereto, to the Livestock and Meat Control Scheme, published by Proclamation R. 200 of 1964, as amended, and has, in terms of section 12 (1) (b) of the said Act, recommended the approval of the proposed amendment;

7363—1

9/1/81

2 No. 7363

STAATSKOERANT, 9 JANUARIE 1981

So is dit dat ek, kragtens die bevoegdheid my verleen by artikel 14 (1) (a), saamgelees met genoemde artikel 15 (3) van genoemde Wet, hierby verklaar dat genoemde wysiging op datum van publikasie hiervan in werking tree.

Gegee onder my Hand en die Seël van die Republiek van Suid-Afrika te Pretoria, op hede die Agtiende dag van Desember Eenduisend Negehonderd-en-tagtig.

M. VILJOEN, Staatspresident.

Op las van die Staatspresident-in-rade:

P. T. C. DU PLESSIS.

BYLAE

Die Vee- en Vleisreëlingskema, afgekondig by Proklamasie R. 200 van 1964, soos gewysig, word hierby verder gewysig deur die volgende paragraaf in te voeg na paragraaf (a) van artikel 24 (5):

“(aA) met die Minister se goedkeuring bepaal dat sodanige aansoeke om registrasie deur die Raad oorweeg sal word gedurende een of meer vermelde maande van elke kalenderjaar, en ten opsigte van elke sodanige maand ’n datum vas te stel as die laaste datum waarop sodanige aansoeke vir oorweging gedurende daardie maand aanvaar sal word, en die oorweging van alle sodanige aansoeke wat na ’n aldus vasgestelde datum ontvang word, tot die eersvolgende aldus vermelde maand uit te stel”.

Now, therefore, under the powers vested in me by section 14 (1) (a) read with the said section 15 (3) of the said Act, I hereby declare that said amendment shall come into operation on the date of publication hereof.

Given under my Hand and the Seal of the Republic of South Africa at Pretoria on this Eighteenth day of December, One thousand Nine hundred and Eighty.

M. VILJOEN, State President.

By Order of the State President-in-Council:

P. T. C. DU PLESSIS.

SCHEDULE

The Livestock and Meat Control Scheme published by Proclamation R. 200 of 1964, as amended, is hereby further amended by the insertion of the following paragraph after paragraph (a) of section 24 (5):

“(aA) with the approval of the Minister determine that such applications for registration will be considered by the Board during one or more specified month of each calendar year, and to fix a date in respect of each such month as the last date on which such applications will be accepted for consideration during that month, and to postpone the consideration of all such applications which may be received after a date so fixed, until the next ensuing month so specified”.

ROOIBOSTEEBEHEERSKEMA.—WYSIGING

Nademaal die Minister van Landbou en Visserye kragtens artikel 9 (2) (c), saamgelees met artikel 15 (3), van die Bemarkingswet, 1968 (Wet 59 van 1968), die voorgestelde wysiging in die Bylae hiervan uiteengesit, van die Rooibosteebeheerskema, afgekondig by Proklamasie R. 167 van 1962, soos gewysig, aange- neem het, en kragtens artikel 12 (1) (b) van genoemde Wet goedkeuring van die voorgestelde wysiging aanbe- veel het:

So is dit dat ek kragtens die bevoegdheid my ver- leen by artikel 14 (1) (a) saamgelees met die genoemde artikel 15 (3) van genoemde Wet, hierby verklaar dat die genoemde wysiging op die datum van publikasie hiervan in werking tree.

Gegee onder my Hand en die Seël van die Republiek van Suid-Afrika te Pretoria, op hede die Agtiende dag van Desember Eenduisend Negehonderd-en-tagtig.

M. VILJOEN, Staatspresident.

Op las van die Staatspresident-in-rade:

P. T. C. DU PLESSIS.

BYLAE

Die Rooibosteebeheerskema, afgekondig by Prokla- masie R. 167 van 1962, soos gewysig, word hierby soos volg verder gewysig:

1. Artikel 8 word hierby gewysig deur subartikel (1) deur die volgende subartikel te vervang:

“(1) ’n Lid van die Raad word, behoudens die bepalings van artikel 28A van die Wet, deur die Minis- ter aangestel vir die tydperk wat hy bepaal, maar van hoogstens drie jaar.”.

2. Artikel 15 word hierby gewysig—

(a) deur paragraaf (c) deur die volgende paragraaf te vervang:

“(c) onderworpe aan die goedkeuring van die Minister en die voorwaardes deur hom goedgekeur, die agente aan te stel wat die Raad nodig ag vir die behoorlike verrigting van sy werksaamhede;”;

(b) deur paragraaf (i) deur die volgende paragraaf te vervang:

“(i) met die Minister se goedkeuring, deur middel van toekenning of lening of op ’n ander wyse bystand te verleen—

(a) aan enige onderneming vir die bewaring, ver- werking, opberging of bewerking van rooibostee;

(b) in verband met navorsingswerk met betrekking tot die verbetering, produksie, verwerking of bemarking van rooibostee;

(c) aan—

(i) ’n komitee of organisasie wat deur die Suid- Afrikaanse Landbou-unie ingestel of in die lewe geroep is om die een of ander vertakking van die rooibosteebedryf te bevorder; en

(ii) ’n organisasie wat in die lewe geroep is om die een of ander vertakking van die rooibosteebe- dryf te bevorder en by genoemde Unie of ’n pro- vinsiale landbou-unie geaffilieer is:

Met dien verstande dat die Raad nie sodanige bystand aan so ’n komitee of organisasie verleen nie, tensy die Komitee of organisasie deur middel van en met die goedkeuring van genoemde Suid-Afrikaanse Landbou- unie vertoë daarvoor tot die Raad gerig het;”.

3. Artikel 24 word hierby gewysig deur die woorde “tweehonderd” en “ses”, onderskeidelik, te vervang deur die woorde “eenduisend” en “twaalf”.

ROOIBOS TEA CONTROL SCHEME.—
AMENDMENT

Whereas the Minister of Agriculture and Fisheries has, in terms of section 9 (2) (c), read with section 15 (3), of the Marketing Act, 1968 (Act 59 of 1968), accepted the proposed amendment as set out in the Schedule hereto, to the Rooibos Tea Control Scheme, published by Proclamation R. 167 of 1962, as amended, and has, in terms of section 12 (1) (b) of the said Act, recommended the approval of the proposed amend- ment:

Now, therefore, under the powers vested in me by section 14 (1) (a) read with the said section 15 (3) of the said Act, I hereby declare that the said amend- ment shall come into operation on the date of publi- cation hereof.

Given under my Hand and the Seal of the Republic of South Africa at Pretoria on this Eighteenth day of December, One Thousand Nine hundred and Eighty.

M. VILJOEN, State President.

By Order of the State President-in-Council:

P. T. C. DU PLESSIS.

SCHEDULE

The Rooibos Tea Control Scheme, published by Proclamation R. 167 of 1962, as amended, is hereby further amended as follows:

1. Section 8 is hereby amended by the substitution for subsection (1) of the following subsection:

“(1) A member of the Board shall, subject to the provisions of section 28A of the Act, be appointed by the Minister for such period, not exceeding three years, as he may determine.”.

2. Section 15 is hereby amended—

(a) by the substitution for paragraph (c) of the following paragraph:

“(c) to appoint, subject to the approval of the Minister and the conditions approved by him, such agents as it may consider necessary for the proper performance of its functions;”;

(b) by the substitution for paragraph (i) of the following paragraph:

“(i) to assist, with the approval of the Minister, by grant or loan or in any other manner—

(a) any undertaking for presenting, processing, storing and conditioning rooibos tea;

(b) research work relating to the improvement, production, processing or marketing of rooibos tea;

(c) (i) a committee or organisation established or instituted by the South African Agricultural Union to promote any branch of the rooibos tea industry;

(ii) any organisation instituted to promote any branch of the rooibos tea industry and affiliated with the said Union or a provincial agricultural union:

Provided that the Board shall not grant such assis- tance to such a committee or organisation unless the committee or organisation has, through and with the approval of the said South African Agricultural Union, made representations therefor to the Board;”.

3. Section 24 is hereby amended by the substi- tution for the words “two hundred” and “six”, res- pectively, of the words “one thousand” and “twelve”.

Anger at move to import eggs

S. Express 18/1/81
3 Control Board

EGG producers have slammed the Egg Control Board for importing eggs only months after ordering the wholesale slaughter of laying hens to get rid of a massive egg surplus.

Eighteen million cold storage eggs — 50 000 cases of 30 dozen each — are being loaded at a port in the south-eastern United States and will arrive in South Africa in three weeks, a source said.

It appears likely the eggs will be used to supplement shortages in northern and eastern Transvaal homelands and Black townships.

Black consumers in these areas could be sold eggs which will not last more than two days without refrigeration, a producer told the Sunday Express.

Mrs W L Deiner, of Middelburg, told the Sunday Express: "I have been trying to get a permit for substantially more hens to meet the serious shortage here, but all I was allowed was a 4 000 increase."

She said Black consumers would have to throw away "at least half" the imported eggs. "In this climate a cold storage egg goes bad in two days without refrigeration."

The Sunday Express established there was also a serious shortage of eggs in the townships and Black areas of the northern Transvaal.

Dr A H Olivier, general manager of the Egg Board, was not available for comment.

Best average
in student

to the student with the
most work in Engineering
Jacks Memorial Prize

Professor George Menzies Prize
Awarded on results of final
examinations to the best male
in Land Surveying or
Engineering.

- P M Salmon
- T J Cumming
- D P Weeks
- J H Rens
- B F McClelland

Fourth Year (Gold Medal)

Miss N C Davidson

Third Year (Silver Medal)

Miss G C Littlewort

Second Year (Bronze Medal)

For the best student in each
of the 2nd, 3rd and final years.
Corporation Medals

FACULTY OF ENGINEERING

CHEMICAL

Produce boards slated Over rocketing costs

RDM 9/8/81

3 control boards

2444

By VITA PALESTRANT
Consumer Mail Editor

AGRICULTURAL marketing boards were accused yesterday of becoming big business in South Africa at the expense of the consumer and failing to stabilise the agricultural sector.

THE
GREAT
FOOD
PRICE
SCANDAL

Mrs Yvonne Forshaw, vice-president of the Housewives' League, delivered the scathing attack.

Her criticism of the boards' role in agriculture was joined by top executives of two leading supermarket chains.

This followed a comment by Mr Chris Gilliers, director of the SA Agricultural Union, on a listener participation radio programme on Friday night.

Mr Gilliers said he would prefer to see the abolition of the free market operating on fresh foods.

This comes at a time when food inflation has soared to 30% and is at a level almost double that of the overall consumer price index.

Yesterday Mr Gilliers claimed marketing boards had kept food prices down, and said marketing controls on fresh fruit and vegetables — the only agricultural products that do not fall under a control board — would benefit the consumer.

Free market mechanisms are not suitable for agriculture.

Mr Gilliers said there were 22 marketing boards, employing 2 500 people at a total cost of R25-million.

"This means that only R1 per head of population is being spent to regulate the R10 000-million food industry and see to it that there is no exploitation — this is not excessive."

He said farmers' real income

had dropped by 30% during the past five years and only when they were placed "on a sound footing", would prices fall.

Mrs Forshaw countered: "Marketing boards have lost touch with their initial functions.

"They have reached a monstrous stage where they are encouraging farmers to expect fantastic profits, and it's horrifying to think that extra controls should be introduced.

Mrs Forshaw said she had lost faith in the boards' ability to stabilise the agricultural sector.

"I can't understand why our maize and wheat prices are so high compared to world prices — and meat seems to be going that way too — when our labour costs are so low.

"Last year consumers were forced to subsidise our high cost of maize while surpluses were exported at a loss during a bumper year.

"We've seen how these boards do their marketing, with the present egg situation. As a result of the Egg Board ordering the culling of thousands of hens, we have a shortage and will have to import eggs."

"All round, they have led to greater prosperity for the population as a whole — in fact there have been significant drops in consumption of these basic foods despite population growth, and this is a worrying situation."

Top executives of two supermarket chains, Mr Harold

Greenstein, marketing director of Checkers, and Mr Richard Cohen, a director of Pick n Pay, joined Mrs Forshaw in her criticism of the boards.

Mr Greenstein said: "It's time the marketing skills of our boards were investigated.

"They have tended to place emphasis on the needs of the producers instead of having a balanced look at the needs of the marketing chain as a whole."

Mr Cohen said: "Given the present board structures and their poor track record, they should be abandoned altogether.

"If one looks at maize farmers, who have been given a 70% price increase in the past three years and are likely to get a 15% increase this year, one wonders what is going on.

"It's not possible that their cost of production has risen this much."

Yesterday Mr Cifers denied South Africa was exporting maize at a loss and claimed only wheat and dairy product exports fell into this category.

He said South Africa's vast low income group was better off than most people in Africa, the Middle East and some European countries.

"They are only spending about 33.5% of their income on food in the urban areas and this is not excessive."

Mr Gilliers said the cost of farming requisites had risen enormously and that in the past five years farm labourers' wages had doubled.

Call to scrap SA marketing board system

CT 10/2/81
3 control boards
24/5

Own Correspondent

JOHANNESBURG. — Agricultural marketing boards in South Africa had become big business at the expense of the consumer and had lost sight of their stabilizing role, the vice-president of the Housewives' League, Mrs Yvonne Forshaw, said at the weekend.

Two leading supermarket chains joined her attack, saying the boards had failed to stabilize the agricultural sector.

A director of Pick 'n Pay, Mr Richard Cohen, suggested that the system should be abandoned.

Mrs Forshaw was reacting to a comment by the director of the South African Agricultural Union, Mr Chris Cilliers, who said on a radio programme on Friday night that he would prefer to see the abolition of the free market for fresh foods.

This comes at a time when food inflation has soared to 30 percent and is almost double the overall consumer price index.

On Sunday, Mr Cilliers claimed that marketing boards had kept food prices down and said marketing controls on fresh fruit and vegetables (the only agricultural products which do not fall under a control board) would benefit the consumer.

"Free market mechanisms are not suitable for agriculture. Control boards keep prices from fluctuating, like the Meat Board, which is a wonderful system," he said.

Mr Cilliers said there were 22 marketing boards employing 2 500 people at a cost of R25 million.

"This means that only R1 per head of population is being spent to regulate the R10 000 m food industry and see that there is no exploitation. This is not excessive," he said.

He said the real income of

farmers had dropped by 30 percent during the past five years, and it was only when they were placed "on a sound footing" would the food price come down.

Mrs Forshaw and the supermarket chains differed, however.

"Marketing boards have lost touch with their initial functions," said Mrs Forshaw. "They have reached a monstrous stage where they are encouraging farmers to expect fantastic profits, and its horrifying to think that extra controls should be introduced," she said.

"Farmers are being led to believe that they have a divine right to massive profits by these boards. The population is being held to ransom just because they have to eat. It seems we are rapidly reaching the stage where farmers are pushing through one increase after another because people can't do without food."

Mrs Forshaw said that while marketing boards had a function to play in stabilizing the agricultural sector, she had lost faith in their ability to do so.

"I can't understand why our maize and wheat prices are so high compared to world prices, and meat seems to be going that way too — when our labour costs are so low. Last year, consumers were forced to subsidize our high cost of maize when surpluses were exported at a loss during a bumper year. This is a bizarre situation.

"We've seen how these boards do their marketing with the present egg situation. As a result of the Egg Board ordering the culling of thousands of hens, we are now sitting with a shortage and will have to import eggs.

"It seems these boards, which wield enormous power, often interfere without assess-

ing the situation correctly.

"All round, they have not led to greater prosperity for the population as a whole — in fact, there have been significant drops in food consumption in these basic foods despite population growth, and this is a worrying situation.

"No food in South Africa should be exported at a loss when we have many hungry people within it. I can't see the point of having "food detente" with the rest of Africa when on our own doorstep there are many who can no longer afford to eat.

"It's time our ministers of agriculture, who are elected by all of us, started looking further than the farmers' needs. They should be looking at the country as a whole. Similarly, the Department of Agriculture, paid for by all of us, should realize that their job consists of more than just seeing to it that farmers get more money," she said.

The marketing director of Checkers, Mr Harold Greenstein, commented: "It's time the marketing skills of our boards were investigated. They have tended to place emphasis on the needs of the producers instead of having a balanced look at the needs of the marketing chain as a whole."

He cited debacles in butter, cheese and eggs as an example of the boards inability to stabilize supply and demand.

"Given the present board structures and their poor track record, they should be abandoned altogether," said Mr Richard Cohen, a director of Pick 'n Pay.

"If one looks at maize farmers, who have been given a 70 percent price increase in the past three years and are likely to get a 15 percent increase this year, one wonders what is going on. It is not possible that their increased cost of production has risen this much. The high price of maize has a ripple effect through other food products, and the whole situation reaches an unrealistic position."

Mr Cilliers denied that South Africa was exporting maize at a loss and claimed that only wheat and dairy products were exported at losses.

"Even if the price of export is lower than the local price, it doesn't mean a loss — you can still make a profit," he said.

Asked how controls could be expanded in the agricultural sector, Mr Cilliers said he would not like to see South Africa go as far as Russia.

"We don't need that kind of control. We need a sort of in-between system," he said.

RDM 14/2/81
3 cont'd bds 2

Meat Board wants halt to fowl imports

By PAT SIDLEY
Consumer Mail

THE Meat Board would like to restrict the importing of American chickens because, it says, the cheap American birds have depressed the price of beef.

Dr Jan Lombard, general manager of the Meat Board, said in Bloemfontein yesterday that the US imports represented the "most serious competition to South African beef, and could, if not restricted, reduce the demand for beef seriously."

He said the Meat Board should have a say over how much chicken was imported.

Last year the price of red meat rose by more than 50%. The price of beef has fallen by between 5% and 12% (for super and Grade 3 respectively) since Christmas.

Earlier this week, a meat co-operative, representing 14 000 farmers, announced it had paid out R1-million more to its farmers than it had the year before.

According to Dr Lombard, the import of 4 000 tons of beef recently was a small part of South Africa's consumption and unlikely to influence the price noticeably.

A spokesman for Checkers, the supermarket chain which imported a large number of the American fowls, said yesterday: "The increase in chicken consumption was largely caused by the increase in meat prices. The increased meat prices are mainly responsible for the almost 30% increase in food prices."

"It is perhaps peculiar that an industry so tightly controlled as the meat industry can allow the man in the street to suffer to the extent that he has."

"Checkers' importing of chickens was a temporary measure to alleviate a serious shortage in supply in South Africa and the total amount imported constituted about one week's national consumption," the spokesman said.

CT 20/2/81
 Report of meat
 3 control board
 imports denied

Staff Reporter

THE South African Meat Control Board has denied an overseas report that thousands of tons of beef were being imported from Ireland.

A Sapa report yesterday quoted a spokesman for an Irish meat company as saying that a R32.4-million contract had been signed with "a South African company" and that 900 tons had already been exported.

A spokesman for the Meat Control Board said from Pretoria yesterday that the board was the sole importer of meat and had signed no contract. While a private company could enter into an agreement, the meat would not be allowed to enter the country.

The spokesman said South African meat inspectors had visited Irish slaughtering facilities late last year to compare standards, "in case it ever became necessary for us to import meat from there".

Last year, the board imported 3 800 tons of manufacturing meat (unsuitable for ordinary consumption) from Australia and New Zealand. Most of this would be exported after South African manufacturing, he said.

Commenting on a report yesterday on drastic cutbacks in the supply of slaughter animals to Cape Town from SWA/Namibia, the spokesman said this was still only in the recommendation stage.

The matter would be decided on by the SWA/Namibia Agricultural Union late next month

and it would be forwarded for discussion to the South African authorities, he said.

The SWA/Namibia Meat Control Board supplies 90 percent of the beef animals slaughtered at the Cape Town abattoir and has recommended that in future meat be exported to South Africa in carcass or cut form. The spokesman said Cape Town was SWA/Namibia's main market and "we would never be dictated to".

In the event of mostly carcasses being exported, this would save on transportation costs. Losses and bruising of livestock were heavy and more carcasses could be packed together than meat on the hoof.

The spokesman said it would not affect the supply of meat, nor the price.

The Commission of Inquiry into the slaughter-stock and meat industries was to start hearing evidence in Pretoria on March 10, it was announced there yesterday. A representative of the Meat Board would be the first to give evidence.

Among the terms of reference of the commission, are to inquire into and make recommendations on complaints and accusations about arrangements for introducing slaughter-stock and meat into controlled areas, restrictions on the entry of people into the meat trade and the meat processing industry, the Meat Board's price support measures and the vertical integration of interests in the slaughter stock and meat industries. — Sapa

Mottivation/Promotion
 Encouraging
 MCH Clinic utilization
 Follow up:
 chronic coughers
 TB defaulters
 hygiene
 Treatment
 scabies and sores
 care of aged

Demonstrations On:
 Immunization
 hygiene
 nutrition
 TB
 Two days
 Villages surrounding the
 hospital

TEBBLONG
 Free medical care at
 VHM, spouse & child-
 ren
 VHM given R1,00 for
 doctors consultation
 & treatment of needy

Part-time
 One day per week
 VHM must:
 be able to read
 willing to build
 pit latrine near house
 plant vegetable garden
 within 3 months

Part-time
 One day per week
 VHM must:
 be able to read
 willing to build
 pit latrine near house
 plant vegetable garden
 within 3 months

Part-time
 One day per week
 VHM must:
 be able to read
 willing to build
 pit latrine near house
 plant vegetable garden
 within 3 months

Assisting:
 Chief in vital statis-
 tics recording
 Nurse with health campaigns
 Making home visits
 Advising on vegetable
 gardens
 One day per week
 VHM must:
 be able to read
 willing to build
 pit latrine near house
 plant vegetable garden
 within 3 months

Part-time
 One day per week
 VHM must:
 be able to read
 willing to build
 pit latrine near house
 plant vegetable garden
 within 3 months

Part-time
 One day per week
 VHM must:
 be able to read
 willing to build
 pit latrine near house
 plant vegetable garden
 within 3 months

Part-time
 One day per week
 VHM must:
 be able to read
 willing to build
 pit latrine near house
 plant vegetable garden
 within 3 months

OUTHING
 SERVICES
 RENDERED
 (CON'L)
 WORKING
 CONDITIONS
 Part-time
 N11
 SUPPLIES
 VHM'S
 REMUNERA-
 TION
 R5,00 per
 raised fr-
 pre-school
 cents per
 Lesotho R
 Associat
 50 cents
 Planning
 LOCATION OF 9 VILL
 VHM'S
 QUTHI
 One we
 TWA to
 TRAINING
 SUBSEQUENT
 TRAINING
 TRAINING
 CONTENT
 MOTTVA
 Report
 comm
 pri
 drin
 Loca
 Encour
 MCH
 Famt
 Contact
 3 far
 for

Control boards cost R30m

Political Staff

THE ASSEMBLY: Agricultural control boards cost South Africa R30 400 000 during the 1979-1980 financial year.

The two costliest boards were the Citrus Board, which cost R5 923 980 and the Meat Board, which cost R5 082 044.

Other million-rand-plus control boards are the Egg Control Board (R1 103 147), the Wheat Board (R2 295 169), the Maize Board (R3 367 457), the Oilseeds Control Board (R1 380 079), the Deciduous Fruit Board (R4 573 336), the Wool Board (R1 260 461) and the Dairy Board (R2 352 421).

The only control boards where administration costs did not reach six figures were the Karakul Board (R33 370) and the Lucerne Seed Board (R33 370).

Control boards have come under repeated attack from the Opposition, who have claimed the boards did little to promote fair produce prices and in some instances pushed up prices when there were surpluses.

Primary goods have a use whatever a person's rational plan of life" (Rawls 1971: 62). Examples are rights and liberties, powers and opportunities, income and wealth - the "social primary goods", in contrast to health and vigour, intelligence and imagination - the "natural primary goods". The concept of a set of basic needs that defines and measures a social minimum falls into the same category, and no doubt shares a common philosophical ancestry.

The important consequence flowing from this conception of health care as a primary good, satisfying a basic need, is that it must be accorded a certain ranking over other needs and other goods. How high in the social ordering and therefore how extensive the dispersion of such care is to be across the base of the social pyramid is the key strategic question. It would be highly naive to assume that policy decisions in a concrete historical context can be reached at this abstract level. But it is along such lines of thinking we must move for guidance in making choices.

6. ALLOCATION OF SOUTH AFRICAN HEALTH CARE

This section will be short as the questions posed here are examined extensively in other conference papers. Yet there may be profit in approach from a perspective different in certain ways.

Do we have two identifiable systems of health care delivery in South Africa at the present time? Is there one for the richest 20 per cent of the population, predominately white, organised on a fee-for-service basis plus a measure of risk pooling via insurance? Is there another for the poorest 80 per cent, mainly black, organised in the public sector through clinics and hospitals where out-of-pocket payments are some fraction of cost or are nominal? Do the two systems meet only at the level of highly specialised and technically sophisticated treatments where, once reached, the link between access and economic status is weakest? While this broad description needs qualification - for example, lower income groups do purchase significant amounts of medical care through fee-for-service channels - it is accurate in essentials so the questions can be answered affirmatively. Given the great distances that separate the material bases of groups in the population, it would be surprising to find in existence a homogeneous system of health care.

Accepting this characterisation, we need to keep certain options distinct. Do we need more of existing inputs in existing proportions? Would a greater volume of investment devoted to health care in this country by itself overcome this segmentation within an acceptable time horizon? Probably most participants at this conference favour expanding the overall scale of spending in aggregate as well as per capita terms. Yet many remain sceptical about achieving thereby a levelling-up and progression towards uniformity of access for the bulk of South Africans. But the question, posed earlier in a different guise, is rather artificial. While we suspect strongly that higher levels of conventional medical consumption by the rich would have low marginal productivity, positing a broad analogy with North America and Western Europe, what could health care policies alone do about it? Out of every rand of aggregate consumption expenditure in South Africa, 75 per cent goes to the private sector.

The two costliest boards were the Citrus Board, which cost R5 923 980, and the Meat Board, which cost the taxpayer R5 082 044. Other million-rand-plus control boards are the Egg Control Board (R1 103 147), the Wheat Board (R2 295 169), the Maize Board (R3 367 457), the Oilseeds Control Board (R1 380 079), the Deciduous Fruit Board (R4 573 336), the Wool Board (R1 260 461) and the Dairy Board (R2 352 421). The only control boards where administration costs did not reach six figures were the Karakul Board, which cost R33 370, and the Lucerne Seed Board, which cost R33 370.

Control boards have come under repeated attack from members of the Opposition. During this session of Parliament, Opposition members have pointed out that in some instances control boards pushed up prices of produce when there were surpluses.

Political Staff

HOUSE OF ASSEMBLY
Agricultural control boards cost South Africa R30.4 million during the 1979/80 financial year.

The two costliest boards were the Citrus Board, which cost R5 923 980, and the Meat Board, which cost the taxpayer R5 082 044.

Other million-rand-plus control boards are the Egg Control Board (R1 103 147), the Wheat Board (R2 295 169), the Maize Board (R3 367 457), the Oilseeds Control Board (R1 380 079), the Deciduous Fruit Board (R4 573 336), the Wool Board (R1 260 461) and the Dairy Board (R2 352 421).

The only control boards where administration costs did not reach six figures were the Karakul Board, which cost R33 370, and the Lucerne Seed Board, which cost R33 370.

Control boards have come under repeated attack from members of the Opposition. During this session of Parliament, Opposition members have pointed out that in some instances control boards pushed up prices of produce when there were surpluses.

The Cape Times, Wednesday

and run on commercial lines to maximise profits. Quite apart from issues of practical feasibility, this strategy would presuppose a political regime seriously bent upon redistribution at large and not only upon transfers within the medical care sector.

Another cluster of ideas to be explored can be illustrated by reference to the X - H connection in the flow chart. $X_1 \dots X_n$ are the set of non-medical inputs which influence health. In rich countries and communities, they comprise life styles, social and cultural patterns, environmental variables and work conditions which probably do bear a functional relationship to income, but a complex one. Two populations at the same socioeconomic level may have quite divergent morbidity and mortality characteristics, and the set of X-factors holds the explanatory key. One could with justification also consider them a residual category that measures our ignorance of specific causes.

Augur 28/2/81

boards boards

BOARDS ARE NOT DOING THEIR JOBS

AGRICULTURAL control boards have allowed the development and proliferation of 'middle-man structures' which are in a position to depress or stimulate their markets at will, Mr. Phillip Myburgh, PPP MP, for Wynberg and Opposition spokesman on agriculture, said this week.

In some cases these 'middle-man structures' have evolved into consolidated monopolies which, with the condonation of their controlling boards, are preventing the free enterprise system from operating.

'The control boards are simply not doing their job,' In Parliament, Mr. Myburgh said the Meat Board had allowed 'the formation of massive cartels and monopolies which are exploiting both the prime producer and the consumer' and wondered 'whether this Government has a vested interest in the maintenance of such monopolies.'

'The function of a control board, in the long term, should be to ensure continuity of supply of its commodity at a price to the producer that will ensure him a reasonable profit and enable him to stay in business.'

At the same time, the board should also ensure that the supply reaches the consumer at a price he can afford and a price which will encourage him to consume more and thus to increase the market.

'Which means that the function of a control board should be to satisfy the needs of both the prime producer and the consumer. Our control boards, by and large, have failed hopelessly to do this,' Mr. Myburgh said.

'In the wake of the fiascos perpetrated by the various control boards — not the least of which is the announcement this week of horrifying cost increases — it is a

miracle to me that people still support this Government, which seems afraid to take action against companies making money hand over fist in a Government-controlled environment.'

'The control boards are simply not doing their jobs.'

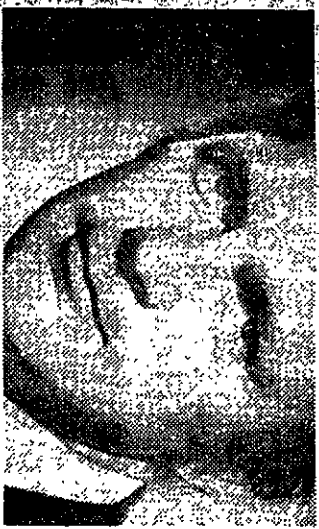
● Allowing powerful cartels to develop.

● Not planning far enough ahead.

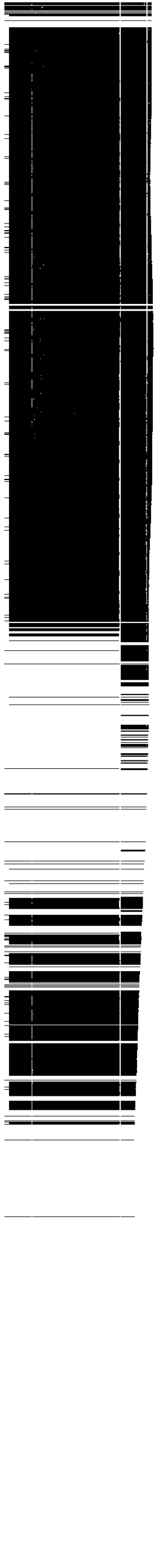
● Not undertaking the efficient distribution of produce.

● Allowing themselves to remain answerable to the Government—being appointed by the Government, which shows no sign of losing power; the boards' members feel secure in their position and condone inefficiency.

'Controlling, planning and marketing bodies must be efficiently run, like a business, by businessmen. There is seldom a political solution to economic problems,' he said.



Mr. P. A. Myburgh



THE COST

Aug 28/28 3 control boards
 CONSUMERS and farmers alike can react with shock to the more than 27 percent increase in the cost of running agricultural control boards announced this week by the Minister of Agriculture, Mr Pietie du Plessis, opposition spokesman on agriculture Mr P A Myburgh said.

Mr du Plessis announced in Parliament, in response to an opposition question, that the total costs of running 21 agricultural control boards had risen from R23 851 561 in the 1978-79 financial year to R30 362 331 last year.

'The overall cost increase of these boards is disturbing enough, but it is particularly worrying to note that those boards dealing with foodstuffs have squandered money so irresponsibly. During the previous year the Milk and Dairy boards merged their operations. The result? Last year the Dairy Board doubled its cost from R1 212 463 to R2 352 421.

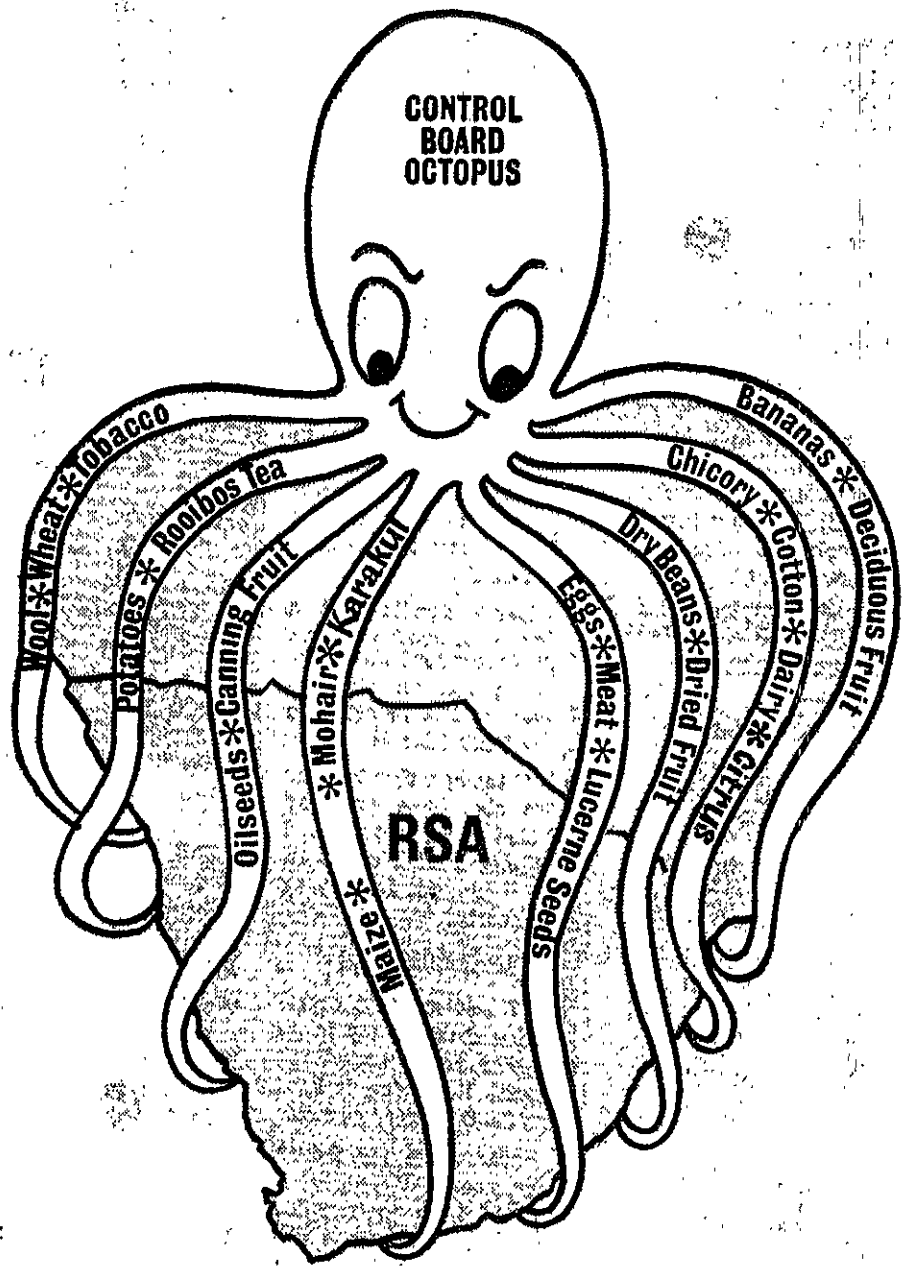
BOOBY PRIZE

'But the booby prize must surely go to the Dried Fruit Board for having increased its administration costs by no less than 181 percent.

'Surely if ever there was a case for a thorough investigation into the business methods applied by these boards, the time is now. The Meat Board, because of the shortage of slaughter stock, actually handled less meat, inflation was only 16 percent, yet it managed to incur costs 31 percent higher than the year before,' Mr Myburgh said.

TOTAL COSTS OF CONTROL BOARDS

Product	R	
	1978-79	1979-80
Potato	497 319	525 795
Dry Bean	133 000	294 869
Dried Fruit	105 000	295 250
Egg	905 801	1 103 147
Karakul	31 819	33 370
Cotton	134 429	131 621
Wheat	1 878 266	2 295 169
Lucerne Seed	49 169	49 999
Dairy	1 212 463	2 352 421
Maize	2 376 131	3 367 457
Oilseeds	901 541	1 380 079
Banana	549 236	660 678
Meat	3 856 988	5 082 044
Canning Fruit	120 836	191 279
Rooibos Tea	160 749	162 000
Deciduous Fruit	3 641 359	4 573 336
Chicory	289 558	344 937
Citrus	5 142 154	5 923 980
Wool	1 065 295	1 260 481
Mohair	148 467	166 551
Tobacco	151 981	168 388
TOTALS	23 851 561	30 362 331



Figures quoted are for administration costs only. Control boards also charge levies, which are paid by the farmers and passed on to the consumer. No updated figures for these levies are yet available, but five years ago they topped the R50-million mark.

Boards also hold accumulated funds and investments and assets in excess of R500-million.

CONTROL

VITAL

Angus
28/2/81
3 control
boards

— EXPERT

CHAOS would ensue if agricultural control boards — the scapegoats of consumers, retailers, marketing chains and opposition politicians whenever food prices increase — were abolished, Professor W E Kassier, a University of Stellenbosch agricultural economist, said this week.

'Calls for a return to the freemarket, supply-demand system are hysterical and unrealistic. The control boards perform a vital function in stabilising supply and price — but suffer badly from too much Government control, too much diversification and, from a persistent effort to manage, instead of merely direct,' he added.

'It is internationally accepted that not only do farmers need the "economic buffer" of control boards to keep them on the land through bad times, that they cannot predict or control, but also that consumers need a stabilised supply-price system which can be achieved only through central control.

'Under a free market system South Africa's 30 000 to 40 000 small maize producers, for example, would have no bargaining power and no coordinated marketing scheme. One year there would be a glut of maize and the next a shortage. Farmers would abandon maize one year and return to it the next. Many would be financially wiped out in bad years, and consumers — for many of whom maize is a staple food — would reel under yo-yo price fluctuations which would allow no budgetary planning.'

By JOHN FENSHAM

of former years were unrealistic because the Meat Control Board set a floor price that was too low, and this was an administrative error. I would like to see more marketing strategists, more businessmen in the control boards, and less administrators.'

This was endorsed by Mr Raymond Ackerman, chairman of a national supermarket chain.

'The current meat crisis is, ironically, the result of the Meat Board being over-protective towards the consumer in past years. For a long time the Meat Board set a floor price which was too low to sustain producer interest — in fact too low to induce the farmers to stay in the business.'

SOLD OUT

'They "disinvested" sold out, with the result that the market was flooded with meat. Now there is a shortage because farmers are having to hold back breeding stock, and demand has forced the price higher and higher.'

'The Meat Board can therefore be blamed for not protecting the farmers

enough and for not slowly and steadily raising the floor price of meat.'

'Free enterprise, however, is also guilty of this type of fiasco. The recent chicken price hike was caused because producers engineered chicken exports to create a shortage and an unnecessary price hike.'

He added that bodies such as the wheat and maize boards, which set an annual price increase instead of operating a stabilisation fund, were not being fair to the consumer.

'They should rather operate as the Sugar Association does,' he said, 'and subsidise the local market when export prices are high.'

'There would be chaos if the boards were abolished, but the system needs a complete overhaul. The Government is only tackling one side of the "too much money chasing too few goods" equation by cutting credit, raising interest rates and so on. Nothing is being done about the "too few goods" side, except repetitive platitudes about increasing productivity.'

FIXED PRICES

Professor Kassier pointed out that those control boards which compete on the open market — such as the wool and fruit boards — had excellent track records. However, he was 'not too happy' with those boards which set fixed prices for their products.

He advocated a 'futures' market, for example, for meat to allow future buying to stabilise prices, consolidation of multiple boards — all grain boards should be rationalised, — and a study to establish 'a set of objective norms for measuring the efficiency of control boards'.

Mr A S Myburgh, an agricultural economist who runs a course on control boards at Stellenbosch University, pointed out that consumers, farmers, and retailers all expect or read a function into the agricultural control system which was never intended.

CRITICISM

'Farmers think the control boards are doing their marketing, but this is in the hands of private enterprise. Consumers think the boards control the supply and price of produce, but prices can be recommended only to the National Marketing Board. Boards show a consistent lack of marketing strategies, and this is my main criticism of them.'

He pointed out that the current meat price was the result of a 'lag effect' on low prices in past years.

'South Africans have no God-given right to cheap food,' Mr Myburgh said.

'Current prices are realistic — the low prices

'Make economy more competitive'

By PROFESSOR Z S A GURZYNSKI,
director of the School of Economics, UCT

30/1/78
Deards

WHEN there are wage increases uncompensated by higher productivity, when oil sheikhs increase the price of oil, when Escom raises its tariffs, when the price controller allows price increases to meet inflation costs, when marketing boards increase the prices of the produce they control to ensure a reasonable income for producers, when the SAA increases airfares and the Transportation Board protects the SAR road transport profitability, etc. — there is a transfer of wealth from consumers to these people and bodies.

Consumers are getting poorer, while the providers of these goods and services are getting wealthier. This is because, in technical language, the suppliers have forced the terms of trade in their favour.

If the Government wished to hide this fact, it would 'create inflation' by providing the money to enable consumers to buy these supplies in undiminished quantities. But then there is also 'too much money chasing too few of all the other goods' at their current prices. This makes the 'other

goods' appear scarce and their prices also must rise. Inflation is now in full swing.

There are three things that can and must be done to deal with such a situation.

First, the Government must make it quite clear to the monopolistic producers of goods and services, that it will not underwrite their profits through inflation.

In such a case consumers would buy less of these products and monopolists would find themselves with burdensome surplus capacity and often also with lower profits. (Why is cheese and even milk expensively advertised on TV?)

Second, consumers must learn to consume less of the now expensive products and to switch to substitutes. Consumer inertia does facilitate monopolistic exploitation. The efficiency of the West German and Swiss economies is in no small measure due to consumer alertness. This is something one could cultivate.

Third, and most important, is ensuring that our economy is made more competitive. One must fully agree with Mr Owen

Horwood who in his Budget speech said: 'The main reason for the stubbornly high inflation rate of recent years must therefore be sought in certain structural features of the South African economy such as the absence of effective competition in certain sectors of the economy, the pursuit of self-sufficiency in strategic sectors where this was achieved at higher cost than would otherwise have been the case, and the tendency among various groups in society to extract more from the economy than their own productive contributions can justify.'

One can only hope that what the Minister has said will have practical consequences for long run economic policy in South Africa, but in the short run there is room for despair when one sees, even today, when free enterprise is being invoked to save us, the further proliferation of controls to protect the consumers by civil servants who know better than ourselves what is good for us.

No matter what we do about competition and inflation, high prices of imported oil and foreign goods will hurt us. What can we do about it? The remedy is simple if somewhat unpalatable. We must use less of the expensive products and work harder to enable us to offer foreigners more goods in exchange so that we can fully restore our standard of living.

Otherwise we will have to accept our impoverishment.

Broeders

caught in n rumpus

mealie

S. Times 1/3/81

327 3 control boards

A FINAL showdown between the Broederbond old guard in the Maize Board and the new National Maize Producers Organization (Nampo) was shaping up up this weekend.

Five members of the Maize Board are threatening to resign immediately which could seriously embarrass the Government and throw the country's R1 200-million maize industry into turmoil before the coming election.

The wave of disenchantment with alleged Broederbond manipulations that has been brewing particularly among maize farmers for two years, finally came to a head this week when

Six men threaten to quit

BY MARTIN WELZ

Nampo refused to renominate six of the eight producer representatives on the Maize Board.

The six who have effectively been given notice that they will no longer be members of the Maize Board after their term expires in June include the chairman and deputy chairman of the board, Mr Ben Wilkens, Nationalist MP for Carletonville, and Mr Louis Rothman, Nationalist candidate MPC for Ermelo. Both are senior Broeders.

Now five of the six are threatening immediate resignation — four months before their term of office expires.

"When your boss tells you you're fired, you don't hang around for another four months. It's a sore point," Mr J J Theron, one of the board members who confirmed that he was considering resigning this week, told the Sunday Times.

□ □ □

The threatened walkout comes at a crucial time, as the Maize Board must negotiate the new maize price for this year's biggest-ever crop within the next six weeks.

The Minister of Agriculture, Mr Pietie du Plessis, must fix the maize price before the crop starts coming in at the end of April, which could make it a major political issue only a week before the election.

And, say informed sources, if anything should go wrong, it's the men in office on the Maize Board at the time who will take the rap.

First sign that the news was bad for the present incumbents on the Maize Board came at the Nampo general meeting earlier this week.

The 400 delegates from all regions of South Africa voted overwhelmingly in favour of a resolution barring farmers who accept political office from being appointed to represent them on the Maize Board or serving on their executive.

"It's a total onslaught on poli-

tics," the Broeder chairman of the Maize Board, Mr Wilkens, raged as he stormed out of the meeting. He announced that he intended resigning from the Maize Board immediately.

"Our members belong to all political parties — NP, HNP, PFP. If our representatives are also representatives of a particular party in Parliament or the provincial councils, this only creates problems between our members. We are a purely agricultural organisation," Nampo chairman Mr Fanie Ferreira retorted.

Nampo's nominations for appointment by the Minister of Agriculture were to have been kept secret until May, but by Thursday the news of the impending putsch had obviously leaked.

"I have not yet made a final decision, and it would only be good manners to discuss the matter with the chairman before I make an announcement. By Monday or Tuesday we should all know what is what," the vice chairman of the board, Mr Rothman, said when asked if he was resigning.

Mr M D H van der Hoven, a Maize Board member for 11 years, refused to confirm that he had resigned, but commented:

"It would only be reasonable for the new crowd to go in and negotiate the maize price. If one no longer enjoys their confidence then I suppose one must go."

The lack of confidence between Mr van der Hoven and Nampo is mutual. He never joined the new organisation.

"It is hardly courageous of them to want to resign now, but if they do we will immediately have to call a special meeting to nominate substitutes," Mr Ferreira said.

Of the six men on their way out, only one, Mr P T Steyn, representative of the Broeder-dominated co-operative group Unie Graan, was prepared to confirm that he would stay till the end of his term in June.

"It is difficult when you feel that you no longer have the confidence of the people who elected you, but I was appointed for a term and believe I have a responsibility to see it through," he said.

Keep South Africa's food at home, says Ackerman

RDM 3/3/81

3 control boards ~~21/81~~ ~~18/81~~

By MARIKA SBOROS
IT WAS "disgraceful" to export at a loss from South Africa when there were starving people in the country, Mr Raymond Ackerman, chairman of Pick 'n Pay, said yesterday.

Mr Ackerman was speaking at the Consumer Mail conference in Sandton on the food price crisis. He spoke on administered prices of agricultural products and marketing boards.

He said where there were surpluses it was far better to reduce the home market price and give the country's public the benefit, rather than increase the home price and export the surplus to neighbouring countries at a low price.

Mr Ackerman pledged a grant of R50 000 from his company towards agricultural re-

search into improved productivity.

He said he saw no need for an extension of the marketing boards. Although he agreed in principle with the boards' main purpose, any further development would be an inflationary move until problems were corrected.

Mr Ackerman recommended that businessmen be invited to join the existing boards to get an idea of farmers' problems, and could also help in investigating whether a certain product should get an increase or not.

He suggested that businessmen serve on the boards without receiving remuneration.

"Agricultural price stabilisation is widely accepted as a prime objective of marketing policy," he said.

In South Africa, approximately 22 commodity boards had been established for over 30 products and product groups, which, together with wine and sugar — controlled under separate legislation — represented nearly 90% of South Africa's farm output.

The inherent danger of agricultural price support was that producers' organisations would seek to solve their economic difficulties by increasing prices as a result of inefficient production, rather than by improving productivity, he said.

The Meat Board could not be blamed totally for the huge rise in meat prices last year, he said.

The support price however, was a wrong principle, and prevented the price coming down,

Mr Ackerman said.

The beef-raising industry in South Africa should be developed as a matter of urgency as 90% of the country's beef came from South West Africa.

With independence, South Africa could lose that entirely. "There is going to be a chaotic situation if we don't develop our meat industry before SWA becomes independent," he said.

He criticised the Egg Control Board for over-control in the egg surplus last year which has led to an "enormous" present shortage.

"I am a great believer in free enterprise. If we concentrate on improving our farming productivity, we would increase the supply side and we would then be able to bring prices down," Mr Ackerman said.

Govt RDM 3/3/81 has 3 control boards sacred duty:

Bloom

Staff Reporter

GOVERNMENT intervention and control boards were necessary in food production in South Africa, Mr Tony Bloom, chairman of the Premier Group, said yesterday.

Mr Bloom was speaking on Government interference, price control, bureaucracy and inhibiting legislation in free enterprise at the Consumer Mail's Sandton conference on the food price crisis.

Mr Bloom said he felt the boards had done a good job in the field of food production, and he would not want to see them legislated out of existence as this would lead to higher prices for the consumer.

It was "dangerous nonsense" to say that the panacea for economic problems was the freemarket mechanism, he said.

It would be disastrous simply to let the competition take over, he said.

Given the specific nature and complexity of South African society, where the vast number of consumers were unrepresented and at the bottom end of the wage scale, Government intervention and responsible regulation of many economic sectors was necessary, Mr Bloom said.

He added that he did not approve of all Government intervention.

"This is not to say that the Government should not allow more freedom within those regulation, provided that they operate within predetermined economic goals," he said.

Government intervention at this level of the food sector was to the consumer's benefit in the long run and would remain so, he said.

Mr Bloom said the Government was faced with the task of balancing two objectives:

- To give every possible encouragement to the farming community to produce as much as possible and to produce profitably.

- To ensure that all consumers are provided with a consistent supply of high-quality foodstuffs at reasonable prices.

Mr Bloom said the Government was faced with the task of balancing two objectives:

- To give every possible encouragement to the farming community to produce as much as possible and to produce profitably.

- To ensure that all consumers are provided with a consistent supply of high-quality foodstuffs at reasonable prices.

Mr Bloom said South Africa's political isolation and vulnerability to threatened boycotts made it essential to be self-sufficient in food production, and it was the Government's "sacred" duty to regulate affairs to ensure this.

"I go further and say that this duty extends to encouraging the production of an exportable surplus of foodstuffs, even at a loss," he said.

It was important for consumers to accept the costs in this area.

"There is enormous political leverage to be obtained for South Africa through food exports, especially to a starving sub-equatorial Africa," he said.

"The figures of food inflation in South Africa must be looked at with a little more intelligence than just simplistically gasping at the alleged 27% rise," Mr Bloom said.

He pointed out that meat and fresh produce had a distorting effect on the index of price increases.

"If these two items are excluded, the rise is 10,9%," he said.

126. West, op. cit., p. 126; Bouhuys and Gee, in Thorn et al, op. cit., p. 1381.

127. Ziskind et al, op. cit., pp. 644, 651. See also Bailey, W.C., Howard, M.B., Buechner, H.A., Weill, H., Ichinose, H., and Ziskind, M., 'Silico-Mycobacterial Disease in Sandblasters', American Review of Respiratory Disease, V. 110, 1974, pp. 115-125.

128. Hurwitz, op. cit., p. 123; Steele, op. cit., p. 27; Spencer, op. cit., V. 1, p. 392.

103. Ziskind et al, op. cit., p. 647.

104. Webster, op. cit., p. 57; Holt, op. cit., p. 134.

105. Webster, op. cit., p. 57; Holt, op. cit., p. 133.

106. Webster, op. cit., p. 57; Miller, op. cit., p. 6; Ziskind et al, op. cit., p. 647; Spencer, op. cit., V. 1, pp. 385-384; H.R.D., 'In Memoriam: Edgar Hartley Kettle 1882-1936', Journal of Pathology and Bacteriology, V. XLIV, No. 2, 1937, pp. 493-504, p. 499;

Major marketing boards criticised

RDM 3/3/81

244

3 control boards

By MARIKA SBOROS
Staff Reporter

MARKETING boards in South Africa operated under an aura of mystery, Mr Benjamin Pogrund, acting Editor of the Rand Daily Mail, said in Sandton yesterday.

Mr Pogrund was giving the opening address at the Consumer Mail conference on the food price crisis.

He criticised the five major marketing boards for declining an invitation to the conference.

"We at the Rand Daily Mail had hoped that the boards, which play such a far-reaching role in determining prices, would be here today," Mr Pogrund said.

He said he found the reasons given by the Meat, Egg Control, Dairy, Maize and Wheat Boards for not attending "highly unsatisfactory".

Mr Pogrund noted that it was announced in Parliament recently that running costs of the various marketing boards came to R30-million a year.

"Speaking as a layman, one has to sell a lot of dried beans, a lot of oranges and many loaves of bread to pay for the costs of these boards," he said.

It was not always clear exactly what the boards did to get the best deal for the consumer.

"There is a lot of mystery surrounding their operations in the public mind," Mr Pogrund said.

He told the meeting that inflation was "one of the curses of our time".

Increased prices did not only point to suffering and strain for everyone, he said.

"They also represent grave danger for us in this country because of their potential effect of causing political and social disruption.

"It cannot be otherwise with the more poorly paid, the bulk of our population, spending so high a proportion of their income on food."

Mr Pogrund said the big question was: why were prices going up.

The laws of supply and demand, and the free market forces were only a partial explanation.

"As far as South Africa is concerned, we import inflation with fuel prices and also with our imports generally," he said.

However, Mr Pogrund pointed out that the free market argument applied in a perfect society in a perfect world.

"We live in an imperfect world. As we all know, many controls do operate in South Africa. This is not a free market economy," he said.

Mr Pogrund said it was generally accepted that labour was a contributing factor to rising inflation because of the shortage of skills. This was heavily determined by political controls.

"On the food front, we have an array of marketing boards and price controls," he said.

An important factor in inflation was the mental factor, Mr Pogrund said.

"People accept that prices



MR POGRUND ... opened the conference

are going up. They cease to question and challenge. That in turn helps to accelerate the spiral of inflation."

Mr Pogrund referred to a Government campaign in the mid-70s in which people were told that inflation was not an inevitable part of their lives, and were encouraged in counter-inflationary measures.

"The campaign ran out of steam, and now the Government simply trails along without doing a great deal about (inflation)," Mr Pogrund said.

The Egg Control Board gave no reason for not attending, but criticised the absence of speakers from agricultural authorities, and the preponderance of speakers from the retail, and to a lesser extent, the wholesale trade.

The Meat Board said the Minister of Agriculture had already appointed a commission and a committee which could deal with the issue more effectively and comprehensively.

The Dairy Board said it had other commitments, and said the conference subject should be dealt with on a national level.

The Wheat Board complained about the concentration on distribution problems and food price increases without cognisance of escalation in agricultural input costs.

The Maize Board said that as a statutory body it could not participate in the conference.

118. Ziskind et al, op. cit., pp. 648-649.

119. Webster(a), op. cit., n. 356.

120. Steele, op. cit., p. 26; Ziskind et al, op. cit., p. 660; Hurwitz, op. cit., pp. 139-146; Steele, op. cit., pp. 20-23. See also Einbrodt, H.J., 'The Influence of Dust Elimination and the Effects on the Development of Pneumoconiosis', in Shapiro, (ed.), op. cit., p. 301.

121. Webster, op. cit., p. 58.

122. Ziskind et al, op. cit., p. 649.

123. Steele, op. cit., p. 26.

124. Ibid.

125. Ibid; Hurwitz, op. cit., pp. 92, 99, 103.

144. Hurwitz, op. cit., pp. 125-126.

145. Hurwitz, op. cit., p. 127.

146. Ziskind et al, op. cit., p. 652; Spencer, op. cit., V. 1, p. 394.

147. Steele, op. cit., p. 27.

147a. Ibid; Robbins, op. cit., p. 415.

148. Ingram, A.H. Jr., 'Chronic Bronchitis, Emphysema and Chronic Airways Obstruction' in West et al, (eds.), op. cit., p. 1355. See also Webster, op. cit., p. 24, for a definition of chronic bronchitis. See Farber and Wilson, op. cit., p. 39, for a definition of emphysema.

5/3/51 ~~5/3/51~~ Egg Control Board

Egg advertising slated

JOHANNESBURG — Retailers and consumer watchdogs have slammed the Egg Control Board's "incongruous" R512 000 campaign to promote egg consumption in South Africa.

They believe that with the present serious egg shortage, it would result in unnecessary price increases.

The Egg Board's decision for a massive advertising promotion was announced by its general manager, Dr A. H. Olivier.

Pick 'n Pay's chairman, Mr Raymond Ackerman, has called the campaign "crackers" and a "waste of money".

"The campaign was obviously planned when there was a surplus. But now there is a ghastly shortage. A campaign now is just a terrible waste of money," he said.

Mrs Joyce Hurwitz, president of the Housewives' League said it made housewives "flaming mad" to see basic food-

stuffs advertised when they could not afford them.

"Any money spent to advertise eggs could be better used to offset price increases and bring down costs."

The director of the Consumer Council in Pretoria, Mr Jan Cronje, said he could not understand why the board would want to advertise during an egg shortage.

"As it is there is talk of importing eggs," he said.

But Checkers said that

although they welcomed the campaign and would encourage the board in this direction, they did not feel the timing was right.

Dr Olivier countered that if a demand situation arose which could not be matched by the supply, the Egg Board had contemplated importing eggs from the United States.

"Indications are that our own producers will be in line from April onwards," he said. — DDC.

Number of workers	Area	Employer
1	Natal	Coronation Collieries
2	Nelspoort	Nelspoort Sanatorium
1	Beaufort West	Farmers' Co-operative
2	Beaufort West	Vegetable market
1	Beaufort West	Household (as gardener)
1	Queenstown	
1	Middelburg	
1	Beaufort West	Divisional councils
1	?	Cartage contractor
1	Murraysburg	
1	Beaufort West	Building Contractors
1	Middelburg	
1	(between Beaufort West and Nelspoort)	
1	Renosterkop station	
4	Beaufort West	S A R & H
1	Worcester	
24	'Karoo'	Other farms

Distribution of workers according to previous job, by employer and area.

TABLE 29

worked on the railways, three for building or cartage contractors and three for divisional councils (building roads). Only one worker had ever worked outside the Cape, at Coronation Collieries in Natal.

DM 5/3/81 (3/1/81)

Egg promotion called 'crackers'

3 careful boards

By SUE ROBERTSON

RETAILERS and consumer watchdogs have slammed the Egg Control Board's 'incongruous' R512 000 campaign to promote egg consumption in South Africa.

The Egg Board's decision to spend R512 000 in a massive advertising promotion was made known this week by its general manager, Dr A H Olivier.

Pick 'n Pay's chairman, Mr Raymond Ackerman, has called the campaign "crackers" and a "waste of money".

Mr Clem McLeish, Metro Cash and Carry's director of

merchandising, called the campaign incongruous.

Mrs Joyce Hurwitz, president of the Housewives' League, said it made housewives "flaming mad" to see basic foodstuffs advertised when they could not afford them.

The director of the Consumer Council, Mr Jan Cronje, said he "could not understand why" the board would want to advertise during an egg shortage.

Dr Olivier countered that if a demand situation arose which could not be matched by the supply, the Egg Board had contemplated importing eggs from the United States.

RDF 1/3/21

Meat Board denies big imports rumour

Pretoria Bureau

THE general manager of the Meat Board, Dr Jan Lombard, said yesterday reports that South Africa was importing huge quantities of meat from Ireland were unfounded.

Referring to "persistent rumours" of a large contract between South Africa and Ireland for the importation of meat, Dr Lombard said the Meat Board, as the only importer of red meat, had not entered into any contract with Ireland to import meat.

"Apart from import contracts already fulfilled, the

board has entered into no contracts with any overseas country for the importation of further quantities of meat," he said.

"Any contracts between South African concerns and their Irish partners have no connection with the importation of meat to South Africa and such meat is destined for markets and customers outside the Republic of South Africa.

"Meat being shipped to destinations via South African harbours could possibly create the wrong impression of being bound for South Africa," he said — Sapa

THE Price Controller will be obliged to authorise increases on all price-controlled products again this year, it was learnt in Pretoria yesterday.

The present 16% inflation rate makes this inevitable.

The controlled products which will be affected will be building materials, steel products, fertilisers, fruit juices, mineral waters, agricultural implements and spares, and fresh milk in certain areas.

More 'inevitable' price rises on way

They will rise by at least 10%.

Apart from formally price-controlled products, there are many others where the price is fixed under a 'gentleman's agreement' with the Price Controller — which means producers must satisfy him of the need for price rises, and abide by his decision.

These products include metal containers, glass bottles, pharmaceutical products, petrol, power paraffin, household furniture, vehicle spares, anthracite and coking coal.

The prices of coal, coking coal and anthracite went up on February 1.

A Government source said the controlled industries had to compete with uncontrolled industries in the same market.

Uncontrolled industries loaded their prices with all cost increases, including higher pay

for employees — often as soon as they were incurred.

They could also adjust prices to compensate for losses in times of recession, and to build up reserves to combat possible lean periods.

Controlled industries, however, were working with their hands on the ceiling and could hope only for relief once a year — when a sound case had to be made out, based on rising production costs.

Economists pointed out that 1981 will not be greatly different to previous years, because South Africa was in the grip of a winter of December 1981

demonstrated a high fatality rate, particularly amongst rock-drillers, and Hugh Weldon, the Acting Mining Engineer, suggested that blasting regulations should be framed which would prevent miners returning too soon to the face after blasting.

Despite before the noxious fumes had been dissipated. (44) Despite the report and general recommendations, the mining regulations which came into effect in August 1903 were practically identical in substance (particularly those connected with health methods underground) to the 1893 laws of the South African Republic. (45) Even a recommendation concerning ventilation (the amount of air per cubic foot regulated) incorporated on the suggestion of the Miners' Phthisis Commission, was one identical to that of 1898. (46)

South African medical authorities claimed that the mortality statistics caused Milner to appoint the Miners' Phthisis Commission. (47) Such a view may be only partly true and it is likely that other pressures were brought to bear on Milner for the appointment of such a commission.

Sir Thomas Oliver, a British physician famous for his investigations into occupational diseases, claimed that his article in the Lancet of 14 June 1902 was the determining level. (48) In this article he exposed the destructiveness to 'human life' of the Transvaal gold mining industry and urged the necessity for introducing better ventilation, wet-drilling methods and alterations to the existing mining regulations.

He based these observations on his personal experiences in the colliery districts of Northumberland where he had returned from the Transvaal of a large number of miners who had returned from the Transvaal

He also displayed a prolonged inflationary spiral which was difficult to slow down — and impossible to halt. In addition to higher prices for controlled products, prices administered by the Department of Agriculture will also rise — subject to Cabinet approval.

These include basic foods such as maize and wheat products (including bread), the whole range of dairy products and the floor price of beef.

3 copies boards

S. Times 8/3/81

The Maize Board is on

By MARTIN WELZ

WITH only two weeks to go before the Maize Board meets to negotiate the new maize price, the general manager and senior staff of the board still do not know whether the chairman and other senior members of the board have resigned or not.

Although Mr Ben Wilkens, chairman of the Maize Board, publicly announced two weeks ago that he had tendered his resignation to the Minister of Agriculture, the general manager, Mr J du P Nel, said he had not been told of any resignations.

Four other board members, including the deputy chairman, said last week they were considering resigning "immediately".

They said they interpreted the refusal of the Maize Producers Organisation, Nampo, to renominate them for a further term on the Maize Board as a motion of no confidence.

"The executive committee of the board is scheduled to meet on March 16 and the full board on March 23 to draw up final recommendations for the new maize price," Mr Nel said.

"If board members intend resigning they are not obliged to inform us — they might only do so for the sake of courtesy and good order.

"None has done so, and we are continuing to prepare for

the meeting as if no-one has resigned," he said.

Mr Wilkens, former Nationalist MP for Carletonville and NP candidate for Ventersdorp, confirmed that it was up to the Minister to decide whether to accept his resignation from the Maize Board.

No option

"I am not prepared to leave the maize farmers in the lurch, but their decision to ban active politicians from representing them on the board left me with no option but to resign.

"I cannot represent them at the most important board meeting of the year when I no longer have their confidence. If I do still have their confidence, they certainly did not say so," Mr Wilkens said.

However, Mr Wilkens denied having stormed out of the Nampo general meeting in protest against their decision, as reported in the Sunday Times last week.

"I clearly said from the back of the hall that I had to leave early to catch a plane, and not because I no longer wished to

be part of the meeting."

At Nampo's headquarters in Bothaville, the chairman, Mr Fanie Ferreira, said he had still not been approached by the Minister of Agriculture to discuss resignations from the Maize Board. Nampo represents all the country's maize producers.

"We told the old guard in good time — in October last year at our founding meeting — that we wished them to complete their term of office. Only in June this year would the 'new dispensation' take over," Mr Ferreira said.

"So I cannot see why Mr Wilkens should suggest that we do not have the necessary confidence in him to complete the current maize price negotiations. Everything we have done has been to restore unity to the industry.

"However, if Mr Wilkens and other board members are determined to flee their responsibilities, we will have no problem in nominating men equally capable and experienced in the industry to conduct the negotiations," he added.

3 cowardly beads
shaky ground
in unity row

Egg Board accused of bad control

Control board
10/3/81 ~~eggs~~

Consumer Reporter

A SHORTAGE of eggs which made it necessary to import 16 million from America this week is due to bad planning by the Egg Control Board, says a Paarl egg producer.

Mr T Pasterini of Windmill Eggs said the board had caused the shortage by putting too severe a limit on the number of birds producers were allowed to keep, and failing to foresee a huge increase in consumption.

'We have empty cages while they are now importing eggs,' he said.

BENEFIT

He thought the industry would benefit by having no controls at all so that free enterprise can operate properly.

But the chairman of the board, Dr A H Olivier, said the board could not possibly have foreseen the phenomenal increase in egg consumption since July last year.

Since then consumption had increased at a rate of two or three percent a month because the lower-income groups now had more money to spend on food while a big price rise had caused consumption of red meat to fall.

'What this means is that South Africans ate 700 000 more eggs a day in December than they did the previous June,' he said.

The board had no alternative but to order the number of laying birds kept by producers to be reduced in 1979 because enormous surpluses were being produced which had to be exported at a loss.

In the past year, as consumption increased, permits had been issued for an additional 900 000 birds.

Mr Pasterini said there was no shortage of eggs in the Western Cape, but local producers were sending some to the Transvaal to alleviate the shortage there.

3 - Meat
8 Meat Board
85 11/3/8
men in trade
 3 - Control Board

PRETORIA — A majority of the Meat Board's 13 members were either directly or indirectly involved with one of the country's three big meat handlers, the general manager of the Meat Board, Dr Jan Lombard, told the commission of inquiry into the country's meat industry yesterday.

Dr Lombard conceded that vested interests could benefit from Meat Board decisions.

He said eight of the thirteen members of the board were associated with Vleissentraal.

Dr Lombard said the Meat Board did not consider it a duty to investigate the private business affairs of members.

It was up to the individual member to recuse himself from board decisions which could benefit his interests.

He explained that it was accepted that organised agriculture got its representatives from those best qualified for the task.

Dr Lombard said there was less opportunity of forming rings under the existing permit system.

It was easier, he said, for the individual buyer to take part in auctions in the smaller centres.

In bigger centres it was difficult for anyone but the organised wholesaler to participate, though the smaller buyer could participate in group buying. However, a capital investment was involved and regulations had to be met.

Referring to marketing costs, Dr Lombard said these included slaughter fees, Meat Board levy, abattoir commission levy and others.

Asked whether it was possible to consolidate and cheapen some of the marketing functions, Dr Lombard said none could be eliminated but efficiency could be improved.

The agents' function, he said, was to get the best possible price for the producers and this acted as an incentive.

Asked whether there was any limitation on the purchase of offal, Dr Lombard said only the board could buy it.

He claimed there were few disadvantages or complaints about the system as there was

offsetting, major advantage to workers of It was the item most frequently Housing is clearly an impo

workers, and, generally

Less per head R5 or less. that 95 more than

relative %

weekly R

Housing (F) Housing. to which no value has in the form of meals 9 Note: 30 families get additi per week. A total of 117 families (90 pe families (73 percent) have an R10 a week, 11 are single men. Of the 13 families with in

Income (R per week)	Number of
0 - 1,00	0
1,01 - 2,00	9
2,01 - 3,00	33
3,01 - 4,00	36
4,01 - 5,00	17
5,01 - 6,00	8
6,01 - 7,00	3
7,01 - 8,00	6
8,01 - 9,00	4
9,01 - 10,00	1
> 10,00	130
total	130
Mean: R4,75 a week	
Range: R1,34 to R21,	

Distribution of families according

TABLE 22

Meat Board

members 3 cont'd board have ~~3~~ ~~invested~~ vested interests

Pretoria Bureau

A MAJORITY of the Meat Board's 13 members were either directly or indirectly involved with one of the country's big three meat handlers the general manager of the Meat Board, Dr Jan Lombard, told the commission of inquiry into the country's meat industry yesterday.

Giving evidence in Pretoria, Dr Lombard conceded that vested interests could benefit from Meat Board decisions.

The big three, Dr Lombard said, were Veissentraal, Imperial Cold Storage and Karroo Kanhym. They played a major role in the country's meat industry.

Eight of the 13 members of the board were directly or indirectly associated with Veissentraal.

Dr Lombard said the Meat Board did not consider it a duty to investigate the private business affairs of its members.

It was up to the individual member to recuse himself from board decisions which could benefit his interests.

He explained, however, it was accepted that organised agriculture got its representatives from those best qualified for the particular task.

It was inevitable that some would have interests in the particular sector in which they were serving.

A strong delegation from the Housewives' League told the commission it would attend all hearings and give evidence.

The chairman of the commission, Mr Justice Eloff said, "evidence could be questioned during the hearings."

Dr Lombard said there was less opportunity of forming rings under the existing permit system.

The clock system used, worked outstandingly.

He said it was easier for the individual buyer to take part in auctions in the smaller centres. At the bigger centres the retailer was less involved.

It was difficult for anyone but

the organised wholesaler to participate in the system.

It was possible for the smaller buyer to participate in the system by group buying. However, a capital investment was involved. Vehicles, for instance, had to be equipped according to laid down regulations.

Referring to marketing costs, Dr Lombard said costs, for instance, at some stage last year amounted to R44.83 a carcass. In this particularly case the producers' net return was R294.

Costs included slaughter fees, Meat Board levy, abattoir commission levy and others.

Asked whether it was possible to consolidate and cheapen some of the marketing functions, Dr Lombard said it was not possible to eliminate any of the marketing procedures, but efficiency could be improved.

The agent's function, he said, was to get the best possible price for the producer. This was an incentive to the agent as opposed to a scheme, where, say, he got R1 a carcass.

Much of Dr Lombard's evidence concerned the mechanics of the marketing system.

Asked whether there was any limitation on the purchase of offal, Dr Lombard said the fact that only the board could buy offal was a limitation.

Other interested parties were ruled out of the buying process.

He claimed there were few disadvantages in the system and many advantages. There were also few complaints about the system. There was only a limited interest in buying offal in the semi-processed form.

One shortcoming in the system, however, was that shareholders in the offal company were themselves involved in the trade.

On the meat permit system he said it was the only viable system and would stay.

CT 12/3/81
3 Carh boards

Irregularities are possible — meat chief

Own Correspondent

PRETORIA. — Irregularities in the Meat Board scheme were possible, the general manager of the board, Dr Jan Lombard, conceded here yesterday in evidence before the Commission of Inquiry into the meat industry.

Where profits were involved there was always the danger of corruption and other irregularities. "If you give a man a gun there is always the possibility of murder."

The Meat Board scheme was unique, and was accepted by agriculturists and economists. The possibility of irregularities, he emphasized, was very small.

Bribery was possible but steps had been taken to rule this out as far as possible.

He could recall only one case of irregularity involving an official of the board, although he was aware of cases where

agents were involved.

Recently four agents investigated by the board had signed admissions of guilt.

Steps which the board could take against convicted agents included a final warning or a cancellation of the agent's registration.

The board official he referred to was a Mr Broderyk who was convicted in 1980 after facing charges of fraud and bribery. Mr Broderyk, who was a senior official of the board, was responsible for controlling permits on the Witwatersrand. It was found he had submitted false returns to the board.

At the time the permit system was still in a development stage, and as soon as the irregularities were discovered the matter was handed over the police.

Asked if it were not possible

that irregularities were still going on, Dr Lombard said the system was continuously under review and evaluation.

On the floor price of meat, Dr Lombard said this was fixed once a year on a basis of a recommendation to the Minister of Agriculture from the Meat Board.

There were two major aims — the floor price should cover production costs and it should contribute to price stability.

The floor price was an emergency function — to ensure the recovery of production costs in a collapsed market situation.

Asked what happened to the meat bought at the floor price by the board, Dr Lombard said this was sometimes sold to manufacturers or exporters. Any loss suffered in selling the floor price meat was borne 100 percent by the board.

SCHOOL OF ECONOMICS,
Division of
Beattie Building,
Rondebosch,
7700



(WITH WHICH IS INCORPORATED THE SOUTH AFRICAN COLLEGE)

UNIVERSITY OF CAPE TOWN

TELEPHONE: 69-8531, EXT. 117

In reply please quote

RDM 13/3/81

3rd sheet

3 second boards

Meat Board told: Scrap most rules

By PAT SIDLEY
Consumer Mail

ALL regulations and limits, barring the hygiene rules, used by the Meat Board in issuing butchers' licences, should be scrapped.

This was said in evidence yesterday in Pretoria at the Commission of Inquiry into red meat industry by a member of the Afrikander Cattle Breeders' Society, Mr Chris Derksen, who is also a beef and maize farmer.

Quoting his own application for a licence, he said some of the objections were misleading and monopolistic.

Mr Derksen said most of the questions asked by the Meat Board in the application form to operate a butchery were not necessary, particularly those pertaining to the finances of the applicant.

The whole process took far too long, he said. Five months for a businessman to wait was excessive.

He also criticised the fact that the large firms were represented on the board and were the people who examined the information in the application.

When giving evidence in

Kroonstand on his application he said the application had taken more than five months to process.

Objections to the application were lodged by two butcheries in Kroonstad, both of which were owned by one of the large firms with representatives on the board, Imperial Cold Storage.

In one of his replies at the time to the Meat Board, which he quoted in evidence, Mr Derksen accused the butchers of being misleading in that they did not state their ownership.

He had also said that their objections were a monopolistic practice, and he threatened to complain to the Department of Trade.

"Small people can't get in. The big companies will always win," he said.

He objected, too, to the idea that a licence would not be granted if it would affect competition in the area.

"We are not so socialist," he said, that licences had to be distributed in that manner.

His application was granted eventually and Mr Derksen was told by a member of the Meat Board he was "very lucky" to have had it granted.

Scrap Meat Board's
rules, says beef farmer

Own Correspondent

PRETORIA. — All the regulations and limitations -- barring the hygiene rules -- used by the Meat Board to govern the handing out of butchers' licences should be scrapped, according to Mr Chris Derksen, a representative of the Afrikaner Cattle Breeders' Society.

He said this in Pretoria yesterday, giving evidence before the Commission of Inquiry into the Red Meat Industry.

Mr Derksen, who is a beef and maize farmer, described as misleading and monopolistic some of the objections to his own application for a licence

He criticized the fact that the large firms were represented on

the board and were the people who examined the information in the application

"It is not for the Meat Board to inquire into my finances," he said

"How can you submit all this information to the Meat Board on which all the big boys sit, six months before you wish to open?"

He also objected to the idea that a licence would not be granted if it would affect competition in the area.

"We are not so socialist that licences have to be distributed in this manner."

Mr Derksen said his application was granted eventually and he was told by a member of the Meat Board that he was "very lucky" to have it granted.

S. Tribune
15/3/81
The ~~3~~ ^{3 control boards}
extra
large
egg
killing...
74

Consumers will foot the bill for those US imports

By TONY SPENCER-SMITH

EGG PRODUCERS will be able to make a big financial killing out of this week's massive consignment of eggs from America — and the consumer will have to foot the bill.



Sean Ryan . . . It's just crazy

The Egg Control Board is selling the eggs to producers as large eggs — but about 20 percent of them are actually extra large.

The eggs — more than 16 million — were landed at Cape Town last weekend from Florida.

They will go to the Transvaal and Free State where there are shortages.

The general manager of the board, Dr Bertus Olivier, said this week that while the eggs had been imported and paid for as large eggs, about one in five of them was extra large.

He admitted producers would be getting a bargain — but said they deserved it after having "a very hard time for four or five years."

BIG DEMAND

— BUT SEAN NOT ALLOWED TO SUPPLY

By Ken Daniels

THE Egg Control Board is refusing to supply an East London poultry farmer with permits to increase his egg production while the country is facing its worst egg shortage in years.

The owner of the Bonacord Poultry Farm in East London, Mr Sean Ryan, is furious that the Egg Control Board is importing 16 million eggs from the United States and Canada while he has been trying to get permits to keep more laying hens since April last year. Every application has been turned down.

"I just can't understand how they can import eggs while local farmers are being refused permission to produce them. It's just crazy."

Mr Ryan, whose family has been in the egg and poultry business for more than 20 years, said the Egg Board is guilty of a serious miscalculation.

"They are supposed to be looking after us small producers but it seems they are doing the very opposite. When the Egg Board was started in 1953 it consisted of a government official, producers and consumers.

"It is now run by salaried clerks who have my business in their hands."

Mr Ryan applied for a permit to keep 68 000 laying birds in 1978 but was granted a permit to keep 33 000.

He said that in January and December he could not meet the demand and in March last year he applied for a permit to increase the number of hens on his farm.

"They refused me point blank and gave no reasons for the failure of the applications. I appealed to the Minister of Agriculture and a Cape MP but still had no success," he said.

The general manager of the Egg Control Board, Dr Albertus Olivier, said eggs had been imported because of a shortage of eggs in the Transvaal and the Free State.

"But there are enough eggs in the Eastern Cape. If we allow Mr Ryan to increase his production there will be a surplus within a few weeks.

"The imported eggs will tide us over until the Transvaal poultry farmers start increasing their egg production."

Dr Olivier denied that Mr Ryan had not been given reasons for the rejection of application. "He has been told why his applications for permits have failed, but he is not happy and is now trying to use the Press and public opinion to further his aims," he said.

Mr Cedric Graham, a member of the Egg Control Board in the Eastern Cape said the supply of eggs in the area was balanced but tended towards a surplus.

"But fortunately some of the larger producers have been able to transport supplies to the Transvaal which has kept the market stable."

Contract

On that basis, more than three million of the eggs are in this more expensive category.

Dr Olivier explained: "The Americans had to supply the eggs by a certain date according to the contract and had to use extra large eggs to make up the consignment.

"As we do not have the facilities to regrade the eggs ourselves we will just be selling the eggs to the producers as large eggs.

"So it will pay the producers to regrade all the eggs and sell the big ones at the extra large price."

He said: "The system of occasionally importing eggs makes much better economic sense than operating on a large surplus and exporting eggs at great cost.

White-shell

"But we have no plans at this time to import more eggs as this large consignment should be enough to get us through the shortage."

He said that the American eggs were unlikely to make their way into the shops of the large towns and cities.

"Most will probably go to large scale buyers like the Army, hotels and so on.

"But some will probably be sold in cafes in the remoter areas.

"All the imported eggs are white-shell, and many South African producers have built up a strong market for brown-shell eggs, and would not want to tamper with that."

Grading

He said the American eggs were also larger on

Farmers slam permit system

S. Tribune 15/3/81
~~2 meat~~ ~~186~~ ~~3 carted beams~~

Tribune Reporter

COMMISSION TOLD OF FALSIFIED FIGURES

THE application and allocation of the meat permit system was roundly slammed during the first week of the meat probe hearings this week.

Amid talk of falsified figures, incompetence and deliberately misleading statements, the public sessions of the Commission of Inquiry into the Slaughter Stock and Meat Industry started this week.

It became clear that the permit system — by which most of the supply of meat is now regulated — is going to come under close scrutiny as the commission gathers momentum this week.

Chris Dercksen, a representative of the Afrikaner Cattle Breeders' Society, said cattle farmers objected to the preference given to feedlot owners in the allocation of permits in times of marketing pressure.

When slaughter stock was in short supply, farmers sold cattle to feeders at prices above their meat value. Then it paid the feedlots to fatten farm cattle and sell them as super grades.

In times of surplus,

however, feeding profitably was difficult and feedlots offered farmers prices below the meat value of their cattle. In these times farmers would prefer to sell directly to the abattoirs but were prevented from doing so by the Meat Board, which gave permits to the feeders rather than the farmers.

On the strength of past marketing the feedlots had the permits and could in times of low prices force the farmer to sell at a loss.

The feedlots had been kept in business at the expense of the farmer, said Mr Dercksen.

A Witbank farmer, Mr H. J. D. van der Walt, criticised the way the board applied the permit system.

Farmers applied for marketing permits without a firm intention to use them. Cancellations caused supply fluctuations which in turn caused price fluctuations.

The board should promote stability, Mr van der Walt, said, by penalising farmers who did not

use their permits.

A Potgietersrus farmer, Mr J. van der Woude, said that one of his permit applications had been thrown out by the board because somebody had fraudulently changed the number of cattle on his application form, which had been sent to the board through an agent.

Mr van der Woude accused the board of giving preference to feedlot-owners, forcing farmers to sell their cattle at a loss on country auctions.

The general manager of the Meat Board, Dr Jan Lombard, said the permit system was initially done on an ad-hoc basis. Permits were freely issued until the market was well supplied.

He said the board had gradually gained experience in making its permit administration bribe proof, and an efficient inspectorate was developed.

Now that the marketing pressure had eased, the permit system should not be scrapped.

CT 16/3/81
146
3 control board

Beef producers call for stable market system

Own Correspondent

JOHANNESBURG. — Three beef producers have called for more stability in the marketing system of beef so that they can plan ahead more effectively.

They were critical of the quota and permit systems of marketing which applied in their areas.

(The quota system is used in Natal and allows the agent a quota of animals that he may slaughter, acting on behalf of a farmer. The permit system, introduced after complaints about the quota system, gives the farmer permission to slaughter a specific number of cattle).

All three were giving evidence at the Commission of Inquiry into the red meat industry in Pretoria on Friday.

Dr H Venter, a breeder/producer and veterinary surgeon of Mooi River in Natal, said agents had cancelled his quotas a day before his cattle were due to be slaughtered and he had had to sell them in a sale. His agents, Stockowners, had then bought five of his seven batches in the sale for 45c a kg. This, he alleged, was so that it could be sold to speculators, for whom the agents were using the quota.

The speculators, he said, then put the cattle on a train for slaughtering the next day. The explanation from his agent was that they had "to give the speculators preference".

"These animals I had taken through for 2½ years. I had taken the risk for 2½ years. Just as I was to market my animals, they chopped my legs from under me and said, 'Sorry you can't', " he told the commission.

Dr Venter said the producer was dependent on the breeder and appealed for the authorities to "get their priorities right".

Mr J van der Woude, a cattle farmer from Durbanville, said the erratic granting of permits and frequent unexplained or irrational refusals for slaughtering permits had made it impossible for him to run his farm and plan for the future.

He had applied for permission to slaughter 30 head of cattle a week through his Vleissentraal agent. This had been refused. When he sought an explanation from the Meat Board, they said he had applied for 230 a week when he had only 245 head on his farm.

It was agreed that the "2" was fraudulently inserted, but he never got to the bottom of whether this was done by the agent or somebody at the Meat Board.

He resented feedlot operators like Kanhym who seemed to get all the permits to market during the surplus, when he could get rid of none

rules, used by the Meat Board to govern the handing out of butchers' licences to be scrapped

Citing his own application for a licence in Kroonstad, he said some of the objections were misleading and monopolistic. He criticized the fact that three large firms were represented on the board and examined the mass of "unnecessary" information in the application.

"It is not for the Meat Board to inquire into my finances," he said. "How can you submit all this information to the Meat Board on which all the big boys sit, six months before you wish to open?"

His application was granted eventually and he was told by a member of the Meat Board that he was "very lucky" to have got it.

Mercury Correspondent

PRETORIA—Cattle farmers yesterday attacked the Meat Board for its close ties with the giant meat co-operative, Vleissentraal.

They also criticised a lack of effective representation by the South African Agricultural Union — the official body for farmers.

The farmers were giving evidence at the commission of inquiry into the meat industry.

Mr Charles Ratley, a Senekal farmer, called for a breakaway of farmers from the Agricultural Union. He said both Mr Flip du Toit and Mr Fanie van Rensburg held high office in Vleissentraal and on the Meat Board. There were eight members of Vleissentraal on the Meat Board, he said.

Created for farmers

'It does not take an intelligent man to work out what they can do. Those men aren't angels,' he said. 'The Meat Board was not created for agents or large firms, but for farmers.'

Mr Ratley described what happened when he had applied for permits to market 24 head of cattle.

The letter from the Meat Board informing him that the permits had been granted was dated the 18th of the month, while a letter from Vleissentraal, which noted his successful application, was dated the 17th of the same month.

'How does Vleissentraal know about my permits?'

Referring to the sharp increases in the price of beef last year, Mr Ratley asked how the price could rise in six weeks from 140 c a kg to 240 c a kg.

'My client is the housewife, and if she's dissatisfied, then I'm in trouble.'

He proposed a meat board which included members with no interests in large meat firms.

Mr Dirk van Reenen, a cattle farmer and feed-lot operator from Marquard, also drew attention to the high proportion of Vleissentraal representatives on the Meat Board.

He criticised the partnership between one of the major meat firms, Imperial Cold Storage, and Vleissentraal, which together had purchased Bull Brand in 1976.

He, too, asked how prices had risen from 140 c a kg to 240 c in so short a period.

Loans

Mr van Reenen criticised the system of loans granted by co-ops, saying they were made by directors of the co-op who were in a position to grant themselves loans, too. The loans were the subject of a complaint by Mr Karel Landman, a Natal farmer.

Mr Landman said the cheap Land Bank loans were granted to the co-operative who in turn made a loan to the farmer who then had to agree to market his cattle through the co-operative.

The co-op then charged a commission for marketing the cattle which meant the farmer was paying between 19 percent and 20 percent for his loan.

If Land Bank loans were given directly to farmers, they could farm more economically, he said.

He also criticised the quota system because often he could not sell cattle when he needed to.

**Meat Board of men
'no angels' charge**

NM
17/3/81

~~3-11-81~~

3-Central Board

Meat price in interest of SA

CT 17/3/81
24/186
23 confil
doctels

KIMBERLEY. — The consumer would have to realize that it was in his own and his country's interest that the producer of red meat be kept in the market on a sound basis, Mr J Cronje, director of the South African Co-ordinating Consumer Council, said in Kimberley yesterday.

Addressing a national meat congress organized by the South African Agricultural Union, he said 1980 had been a year of "many movements" in the meat industry. Drastic increases in the meat prices had been a shock to the consumer and a good thing for meat producers.

A group of women had called for a boycott of red meat, but the Consumer Council had distanced itself from what it termed "an emotional call".

Mr Cronje said consumers should remember that if they did not make it possible for farmers to continue producing meat, they would ultimately carry the costs.

At the same time it had to be remembered that if meat became too expensive, the farmer would also face grave problems. The Consumer Council remained opposed in principle to price and product control, but conceded that under conditions prevailing in South Africa it was sometimes necessary, Mr Cronje said.

The producer had a special duty to act responsibly in his decisions. "Here I think of the delivery of the best products at the most reasonable prices by using research to apply in this way the most efficient production methods," he said.

The producer also had to make known and market his product through the most efficient organization. The Meat Board provided guidance in this regard.

The consumer needed guidance in the buying and utilization of meat and needed to get an insight into the problems of the meat industry.

"The producer and consumer organizations must grab each others hands and not move away from each other," he said.

• Statutory interference in the marketing of red meat was not only justified but essential, the general manager of the Meat Board, Mr J Lombard, said.

Delivering a paper at the conference, Mr Lombard said he had come to this conclusion against the background of the following elements of the broad agricultural marketing policy in South Africa:

• Production uncertainties — because of their dependence on climatic factors, farmers could not control their supply in order to bargain effectively for a price.

• Production characteristics — red meat production had a long-term cycle which tended to be seasonal and made use of biological technology rather than mechanical technology.

• Demand characteristics — the demand for red meat in the short term was typically unelastic, which meant that a small surplus could cause prices to collapse while a small shortage could cause prices to rise sharply.

• Nature of the product — the producer had a small choice of products and in addition his product was highly perishable.

• Bargaining power — a relatively small number of sellers competed on the market with a relatively small number of buyers.

• Low profit yield — because of social pressure and also because of the nature of production of red meat, the industry yielded lower profits than other enterprises — Sapa

RDM 17/3/81

Farmers attack board's ties with meat industry

3 meat 3 county boards 186

By PAT SIDLEY
Consumer Mail

CATTLE farmers have attacked the Meat Board for its close ties with the giant meat co-operative, Vleissentraal, and expressed dissatisfaction at their lack of effective representation by the South African Agricultural Union — the official representative body for farmers.

They were giving evidence at the Commission of Inquiry into the Meat Industry yesterday in Pretoria.

Mr Charles Ratley, a farmer from Senekal, called for a "meat Sampi" — a reference to the recent breakaway of maize farmers from their official representative organisation which they claimed was politically loaded.

Mr Ratley said both Mr "Flip" du Toit and Mr Fanie

van Rensburg held high office in Vleissentraal and on the Meat Board.

There were in total eight members of Vleissentraal on the Meat Board, he said.

"The Meat Board was not created for agents or large firms, but for farmers out of their needs," he said.

Mr Ratley described apparent collusion between the Meat Board and Vleissentraal when he applied for permits to market 24 head of cattle.

The letter from the Meat Board informing him that the permits had been granted was dated the 18th of the month, while a letter from Vleissentraal, which noted his successful application, was dated the 17th of the same month.

Referring to the sharp increases in the price of beef last year, Mr Ratley asked how the

price could rise in six weeks from 140c a kg to 240c a kg.

"My client is the housewife, and if she's dissatisfied, then I'm in trouble," he said.

Mr Dirk van Reenen, a cattle farmer and feedlot operator from Marquard, also drew attention to the high proportion of Vleissentraal representatives on the Meat Board.

He was critical of the partnership between one of the major meat firms, Imperial Cold Storage, and Vleissentraal. They had purchased Bull Brand together in 1976.

He, too, asked how prices had risen from 140c a kg to 240c in so short a time and said that during that time they had applied for an increase in their permits to market cattle but had received a very small and inadequate increase.

Mr Van Reenen criticised the

system of loans granted by co-ops. He said the decisions of how much would be allocated and to which farmers was made by directors of the co-op, who were in a position to grant themselves loans too.

The loans were the subject of a complaint by Mr Karel Landman, a Natal farmer.

He said the cheap Land Bank loans were granted to the co-operative which in turn made a loan to the farmer, who then had to agree to market his cattle through the co-operative.

The co-op then charged a commission for marketing the cattle, which meant the farmer was paying about 19-20% for his loan to the co-op.

Mr Johannes Burger who wound up the day's evidence, complained that agents received a double commission — first from the farmer, then from the speculator.

RDM 18/3/81
3 can't beards

Butcher objects to licensing decisions

By PAT SIDLEY

A BUTCHER who applied unsuccessfully to the Meat Board for another butcher's licence told the Eloff Commission of Inquiry into the Meat Industry that he believed the application might have been turned down because one of the board members was a competing butcher in the area.

Mr Djon Van der Spuy Swanepoel of Grabouw, who operates five butcheries in Grabouw and Villiersdorp, applied in February last year to operate a butchery from a supermarket in Grabouw.

He told the commission that a Mr Nothnagel had applied two months after him for a licence for a butchery not far away from the premises Mr Swanepoel wanted to use.

The two applications had

been heard simultaneously by four members of the Meat Board, five months after Mr Swanepoel had applied.

His application was unsuccessful, while Mr Nothnagel's succeeded.

Mr Swanepoel told the commission he had asked for reasons from the Meat Board, asked his representative body to find out the reasons, and written to the Minister of Agriculture requesting an explanation — all in vain.

He said a Mr Liebenberg, who was one of the board members, operated seven butcheries, and was a competitor of his.

Mr Swanepoel said he believed the community would have been served had his application been successful.

In reply to a question, Mr Swanepoel said that Mr Noth-

nagel, the successful applicant, had been a detective in the South African Police at the time he applied, and had not had a licence before. He had been a blockman before he joined the SAP.

Mr Swanepoel agreed that there should be some limit to licensing, but said he objected to the way in which the limits were applied.

Mr Swanepoel said he was not implying anybody on the Meat Board had been bribed "with R10", but he thought it was probable that a personal relationship between a board member and an applicant could be used to influence the outcome of an application.

Earlier, a Pretoria lawyer who farms in the Free State told the commission that he had been unable to get permits to market his cattle after the grazing lands on his farm had been burnt out.

He had sold the cattle, however, to a feedlot operator. Some of the cattle had stayed there six months before slaughtering, and some three months — but they had all come from his farm.

POLITICAL comment in this issue by Albert Sparks John Ryan Lin Mingo, Bernard Wines sets newsbills by Peter Blackall headlines and sub editing by Paul Hulroyd cartoons by Bob Connolly 3rd of 171 Main Street, Johannesburg

Three groups dominate

RDM 20/3/81 3 meat (786) 3 cartons boards

By PAT SIDLEY
Consumer Mail

schedule showing the extent of the vertical integration in the three large meat groups throughout the industry.

THE general manager of the Meat Board, Dr Jan Lombard, has told the Eloff Commission of Inquiry into the Meat Industry that it is dominated by three large groups, all of which are "vertically integrated".

He said it contained only those undertakings which had to be registered by the Meat Board.

He defined "vertical integration" as ensuring growth and profit, with secondary and primary insurance against risk, reducing competition, and giving control over raw materials — with a certain amount of control over the market.

On the Witwatersrand, Vleissentraal had two retail outlets, three wholesalers, two factories, seven agents and two hides and skins curers and brokers. In the same area, ICS had six retail outlets, five wholesalers, two factories, three agents, a curer and broker. Karoo had nine retail outlets, three wholesalers, one factory, four agents and a hide curer and broker.

Vertical integration, he said, could lead to price maintenance, cartels or "oligopolies", but quasi-monopolistic institutions tended to be "so-called" socially responsible.

Dr Lombard said Vleissentraal was not a monopoly.

It was "well known", he said, that the three groups were Vleissentraal, Imperial Cold Storage and Kanhym/Karoo.

He said the competition between all three firms prevented any of them becoming a monopoly.

But he condemned a Rand Daily Mail report last year illustrating the extent to which the three groups dominated the market. He said it was sensational, some deductions unfounded, and the authors ignorant.

He denied there could have been a question of manipulation by the three firms to account for the sudden price increase last year.

He said that last March the former Minister of Agriculture had asked the Meat Board for a report on vertical integration.

Questioned about abattoir agents, Dr Lombard said the three firms had the largest share of the market, though this had dropped slightly, but did not control the markets.

It was handed in to the commission, but because the Minister requested that it should not be made public, its contents had not been made available to the Press or public at the commission's hearings.

He was questioned on the controversial support price system and the floor price, and said the floor price was the minimum price paid to the farmer, and the support price a marketing mechanism designed to reduce price fluctuations in the short term.

Dr Lombard handed in a

Meat men

~~Meat~~

NM 21/3/31

3-centre brood

'afraid to talk'

Housewives cite fear of victimisation

PRETORIA—Many people in the meat industry were afraid to speak out because they feared victimisation, the first vice-president of the Housewives' League, Mrs Yvonne Foreshaw, told the Eloff Commission of Inquiry into the Meat Industry here yesterday.

Mrs Foreshaw said in evidence that her organisation had received many complaints from all sectors of the meat industry. These included farmers, retail butchers, a wholesaler and

manufacturers.

All these people had shown great anxiety that their identities should not be made known, Mrs Foreshaw said

Although some of these people would probably be prepared to give evidence before the commission, many would be unwilling because they feared victimisation.

Those unwilling included small farmers, who felt they might be penalised by not being able to market

their products.

Complaints by farmers to the Housewives' League centred on prices for hides and skins and the fact that they seemed to get nowhere with other complaints

Farmers also complained about not being able to get quotas for their products. They also were dissatisfied with prices.

Mrs Foreshaw said the number of complaints had, however, cooled off in the past few months because

of higher meat prices and because farmers were able to get their commodities to the market place.

Retail butchers had told the Housewives' League they were anxious about getting adequate supplies from wholesalers.

Answering a question, Mrs Foreshaw said the Housewives' League could speak only for farmers and those others who had approached the organisation. The league had not gone into the country to find out how farmers felt about the meat industry.

Talks with organised agriculture had met the reaction that farmers had no problems with the meat-marketing structure. — (Sapa)

distribution of the 130 men workers is shown

below.

Farms and to have no ties with, or interest in, any homeland.

contract workers; they claimed to be legally resident on the

workers lived on the farm. None of the Africans were

percent) and the remaining 108 were coloured. All the

Twenty-two of the men workers were African (about 17

vegetables once a year.

or fed the chickens and might be expected to help harvest

worked inside the house, occasionally helped with the dairy

All outdoor workers on the farms were men. Women

Section C : The workers:

even to pay wages which complete with town wages.

MALPRACTICES IN HIDE SALES ALLEGED

Skin trade farmers being played — claim

By TICKS CHETTY

THE Meat Board was accused of intimidating farmers and of manipulating the market for hides and skins this week when several people gave evidence before the Eloff Commission of Inquiry into the Meat Industry.

Mr. C. Radley, from Senekal in the Free State, made one of the most serious allegations so far when he told the commission that the Meat Board had a habit of intimidating farmers who were "difficult" and who complained to other authorities about the board.

The board intimidated farmers, he alleged, by threatening to withhold permits required by farmers for the marketing of their cattle for six months or a year.

Mr Radley said this amounted to punishment and in a democratic state punishment was solely the function of the courts.

The same complaint was made at the meat congress held by the South African Agricultural Union in Kimberley this week.

The powerful National Wool Growers' Association (NWGA) alleged at the inquiry that there were widespread malpractices in the control of marketing of hides and skins by the board.

Irregular

The NGWA said the marketing system of hides and skins through the board was open to irregularities and manipulation.

Speaking for the NGWA, Mr D. Agenbach

said in the absence of regular auctions for hides and skins nobody could be sure that the prices paid back to cattle producers were genuine.

Three firms dominated 94 percent of the hides and skins market. They could manipulate the prices by declaring fictitious prices on the basis of fictitious stock lists and invoices.

Dr Jan Lombard, general manager of the Meat Board, said in evidence there was a possibility of malpractices existing in the marketing of hides and skins.

There was a possibility of meat producers not always getting full prices for by-products such as hides and skins. It could be that invoices were "adjusted" and grading regulations circumvented, he said.

Housewives

It was also possible, Dr Lombard said, that integration of large meat interests with related interests in the hide, skin and tanning industries could lead to irregularities.

Replying to a question, Dr Lombard also admitted that hides and skins, which were the raw material for the tanning industry, could become less available to independent tanneries not related to large meat interests.

But the bargaining process for hides and skins, Dr Lombard said, was largely outside the sphere of the Meat Board and there was little the board could do about the matter.

3 control boards
Meat

...the existence of wages and farmers' particular, whether (ot) s in coming to jobs and their own from the ... results below ... survey, but ... alone and ... West ... and 2 ... numbers employed: ... can be seen ... 2-1973, however, ... give the follow

... distribution (Table 3) ... The aver ... Section A: A ... in Graaff-Reine ... magisterial d: ... apply to a ma ... post them ... three farmers ... A total ... first and sec ... The info ... problems ... the farm ... a questio ... schoolin ... requirem ... a shorta ... informat

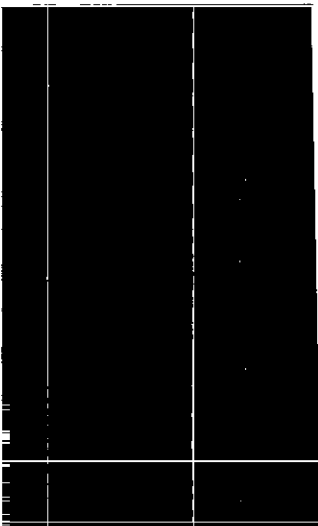


TABLE 4

Distribution of farms by number of sheep (x) and size of permanent male labour force (y)

Agricultural watchdog warns on the 'wolves'

ROM 23/3/81
3 control boards

BY VITA PALESTRANT
CONSUMER MAIL EDITOR

RESPONSIBLE citizens ought to watch out for "wolves in sheep's clothing" who wished to see disorder and instability in the agricultural sector.

This warning has been issued by the South African Agricultural Union in a Press statement entitled "Taking A Stand" - in which it states it will campaign to counteract allegations in the mass media about the existing marketing system.

The statement was released the same day a newly-formed pressure group into high food prices met to decide its terms of reference. The group was formed at a conference organised by Consumer Mail on the food price crisis earlier this month.

Over the past year the food price index (28%) has shown that food is running almost double that of the general Consumer Price Index.

In other Western countries the food index is running at about 3 to 4% higher than the general CPI - which was the case in South Africa until recently. Meat alone has risen by over 50% in the past year.

Although the SAAU was invited to participate at the conference, it declined, saying that as a non-political organisation it could not participate in a conference organised by a newspaper "particularly shortly before a general election".

"This union will watch the outcome with great interest," SAAU said.

"Any unwarranted attacks will fortunately (sic) have the result of closing the ranks of the whole agricultural

community".

At the conference, several delegates expressed the view that marketing boards should be more representative and not only represent producers but retailers, wholesalers, manufacturers and consumers as well.

In this week's Press release, the union says: "The SAAU warns that there are certain factions to whom order and stability are seemingly unacceptable and it cautions responsible fellow citizens to watch out for 'wolves in sheep's clothing'".

Without naming who it is referring to, the union says it will "stand or fall" by its current marketing system.

"On behalf of all farmers of South Africa, the union would also like to make it clear that matters such as the producer majority on the control boards and involvement of co-operatives in agriculture are definitely not negotiable.

"The primary agricultural product is the farmer's property until it is sold and he has as much right to a say in the matter as any other entrepreneur over the product which he offers for sale".

The statement assures consumers that the system of marketing boards and co-operatives will always function with the utmost responsibility and in the best interest of the whole population.

"The adequacy of these two systems is studied continually and adjustments are made should this become necessary."

POLITICAL comment in this issue by Allister Sparks, John Ryan, Lin Menge, Bernardi Weesels; newsbills, by Peter Bunkell; headlines and sub-editing by Chris Smith; cartoons by Bob Connolly; all of 171 Main Street, Johannesburg.

No. sheep No. Men	0 - 2	3 - 4	5 - 6	7 - 8	9 - 10	11 - 12	> 12	Total No. of farms
0 - 9	4							4
								9
								7
								5
								2
								2
								1
								1
								1
								4
								32

Meat hikes not due to system — union

DD 26/3/81

3. Control Board

JOHANNESBURG — The sharp rise in meat prices was in no way due to the present control system, according to the SA Agricultural Union.

At the meat probe hearings in Pretoria yesterday, the SAAU came out in favour of the control system.

Mr B. Snyman, executive member of the union, said the steep meat price increases during 1980 were due to a supply and demand situation.

Another target of criticism had been the

Meat Board's policy of controlling supplies by way of marketing permits issued by the board.

Supplies had to be controlled, Mr Snyman said, because only a certain number of animals could be handled at the abattoirs. In times of marketing pressure, cattle or sheep would have to wait for days in trucks and at sidings if there was no supply control.

It would be cruel to the animals and cause

marketing chaos.

Since 1962, supply had been controlled through weekly quotas to abattoir agents. This had led to irregularities. Agents often speculated in large stock themselves and gave preference to some producers at the expense of others. For this reason, supply was controlled now mainly by marketing permits issued indirectly to farmers by the Meat Board.

At times this control

had to be quite stringent. During one period, permits for only 17 per cent of requirements could be issued.

Things were now much better, and shortcomings in the administration of the system had been rectified. Therefore the SA Agricultural Union was strongly in favour of the permit system as a means of regulating supply, and was continually pressing for improvements in its administration. — SAPA.

... cable, including 31 farms, shows that nearly half of them cover less than 6 000 hectares, and 17 employ 6 men or fewer.

YEARS	ENTRANTS TO THE BOARD	ADMISSIONS	COMPLETION OF SERVICE	RETIRED
1972	23 717	24 904	26 617	23 122
1973	22 124	27 133	55 017	23 122
1974	24 517	24 840	25 721	23 122
1975	24 114	25 279	25 721	23 122

YEARS	ADMISSIONS	RETIRED	RETIRED ATTENDING OFFICERS
1972	92	12	106
1973	211	101	240
1974	357	215	400
1975	100	513	

ADMISSIONS, RETIREMENTS AND COMPLETION OF SERVICE IN THE BOARD

3
y, March 27, 1981

Interests conflict on Meat Board'

Consumer Mail
THE members of the Meat Board have conflicting interests and should not represent producers, a Colesberg farmer has told the Eloff Commission of Inquiry into the red meat industry.

Mr D W Silcock said yesterday that members who were involved with agencies, or were members of organisations which had agencies, should not represent farmers.

Mr Silcock also said he had had difficulty in having his complaints dealt with through the South African Agricultural Union.

Mr Silcock was cross-examined by Mr Jan van der Walt, an official of the SAAU's meat committee, to establish whether Mr Silcock was aware of the SAAU's representative facilities.

The commission will hear further evidence on April 21.

The chairman of the commission, Mr Justice Eloff, said representations to give evidence to the commission may be made until April 10, but he stressed the evidence was to be based on the evidence already heard. He would, however, consider new evidence in special circumstances.

A memorandum containing proposed evidence, or inquiries should be sent to the commission's secretary, Mr C D Kruger at the Dirk Uys building, Hamilton Street, Pretoria

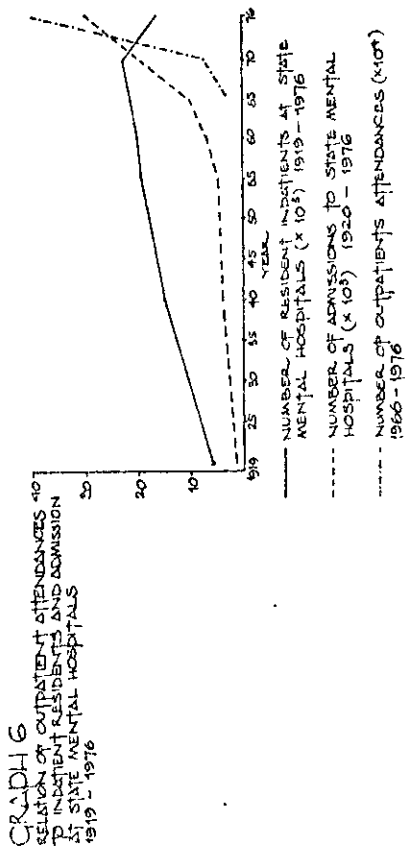
YEARS	PSYCHIATRIST	GENERIC PSYCHOLOGISTS	PSYCHIATRIC NURSES	GENERAL NURSES IN HEALTH SERVICES	POPULATION
1961	82	40	674	37	19,1 MILL.
1970	134	92	896	50	22,4 MILL.
1975	164	191	2 079	97	25,5 MILL.
1976	167	236	2 779	99	26,1 MILL.

AVAILABLE MENTAL HEALTH PERSONNEL IN SOUTH AFRICA 1964 - 1976

PERSONNEL SITUATION	1972	1976
Psychiatrists	1	12
Psychologists	2	1
Psychiatric Nurses	99	249
Student Nurses	30	110
Auxiliary Nurse	10	20
Occupational Therapist	1	

PERSONNEL SITUATION GENERAL AFF - 1976

The joint effect of the psychotropic drugs and the transfer of non-responders out of state hospitals has been the vastly increased admission rate. Concurrent with this has been an increased number of outpatient attendances.



Staff 1919-1976

The number of medical (7) staff manning psychiatric hospitals has developed at the same rate as the inpatient population. Thus in 1919, 19 doctors and 810 nurses took care of 5 771 patients. By 1976, 135 doctors and 6 108 nurses cared for 36 232 patients.

The total number of psychiatrists in South Africa has risen six-fold since 1940, i.e. 1940 (26) 1975 (163 including 13 who are practising overseas).

7. The medical category includes psychiatrists and medical officers, both full time and part-time. The nursing figures include trained, trainee and assistant nurses.

GRAPH 7
PERSONNEL
STAFF 1919 - 1976
MEDICAL PERSONNEL
AT STATE MENTAL HOSPITALS
(PSYCHIATRISTS AND NON-
PSYCHIATRISTS)
--- TOTAL NUMBER OF
PSYCHIATRISTS REGISTERED
IN SOUTH AFRICA

PERSONNEL
NURSING
MENTAL

Snyman: co-op markets for farmers' union

JOHANNESBURG —
Vleissentraal, the giant
meat co-operative, is "the
marketing organisation"
of the South African
Agricultural Union
(SAAU) — a situation
which the union would
like to see stay "for all
future time."

This was said by Mr
Basie Snyman, the deputy
chairman of the National
Meat Committee and
general board member of
the SAAU, when he gave
evidence for the SAAU at
the Eloff Commission of
Inquiry into the red meat
industry in Pretoria
yesterday.

Mr Snyman said
Vleissentraal was in fact
the producer. The co-
operative was SAAU and
the co-operative was the
marketing organisation of
SAAU.

He said the co-operative
was a non-profit organisa-
tion and not a monopoly
"in the true sense of the
word".

"It's not that
Vleissentraal is just an
agent for the farmer. It
has integrated into hides
and skins, wholesale agen-
cies and exports — it's not
just a co-op," he said.

Mr Snyman said
Vleissentraal had moved
into these markets
because of requests from
its members.

He denied Vleissentraal
would exert influence
over members of the Meat
Board associated with it if
the board's view differed
from the co-op's.

Mr Snyman emphasised
that there were no direct
representatives of

Vleissentraal on the Meat
Board.

He said SAAU sup-
ported both the floor price
and the controversial sup-
port prices.

Mr Snyman said the sup-
port price system had not
put the prices of meat up.

"These unhealthy
prices are to nobody's ad-
vantage. Chicken con-
sumption has risen and
this is not to the advan-
tage of the beef
producer."

Commenting on the ver-
tical and horizontal in-
tegration in the meat in-
dustry, he said: "It is part
of free enterprise.
Vleissentraal, through
vertical integration, has
gone a long way to stabilis-
ing the industry and bring-
ing cheap food to the
country." — DDC.

The st
years.
statis
both I
psychi
is due
all ot
being
teachir
psychic

part-time medical officers, deployed entirely at the private
company-run licensed institutions, also inflate this figure
for 1976. (See Table IV for staff:patient rates.)

3. Control Board

DD 27/3/81

THE OCTOPUS IS IN 'THE DOCK'

RDM 28/3/81

~~SWAG~~ 3 cattle boards

~~222~~

IS THERE an octopus with a strange hold on the red meat industry?

Five months ago, after an intensive investigation, Consumer Mail found that the R3 000-million-a-year meat industry was controlled by three large organisations whose tentacles stretched from breeding, to abattoirs, to retail outlets, to mincing contracts and curing and tanning of hides and skins.

For more than two weeks the "Octopus Allegation" has been one of the key issues before the Meat Commission in Pretoria, which is specifically examining vertical integration within the industry.

The "Mail's" report on the meat octopus was featured in evidence by the general manager of the Meat Board, Dr Jan Lombard, who claimed it was "sensational" and based on ignorance.

But what has not been disputed is that three large groups with integrated interests dominate the meat industry... and are represented on the Meat Board.

One of the main reasons for the inquiry is that the price of meat rocketed by 57% in a few months last year. This followed a lengthy period of hard times for farmers.

Who are the Big Three of the meat industry? The largest is the co-operative Veissentraal. The other two are Imperial Cold Storage and Kanhyam Karoo (owned by General Mining).

Much of the questioning by the commission has centered on Veissentraal and its operations.

This vast co-operative, comprising 34 member co-ops, has direct representation on the South African Agricultural Union (SAAU) and eight members of the Meat Board are associated with the co-op.

The SAAU told the commission that it not only accepted that Veissentraal

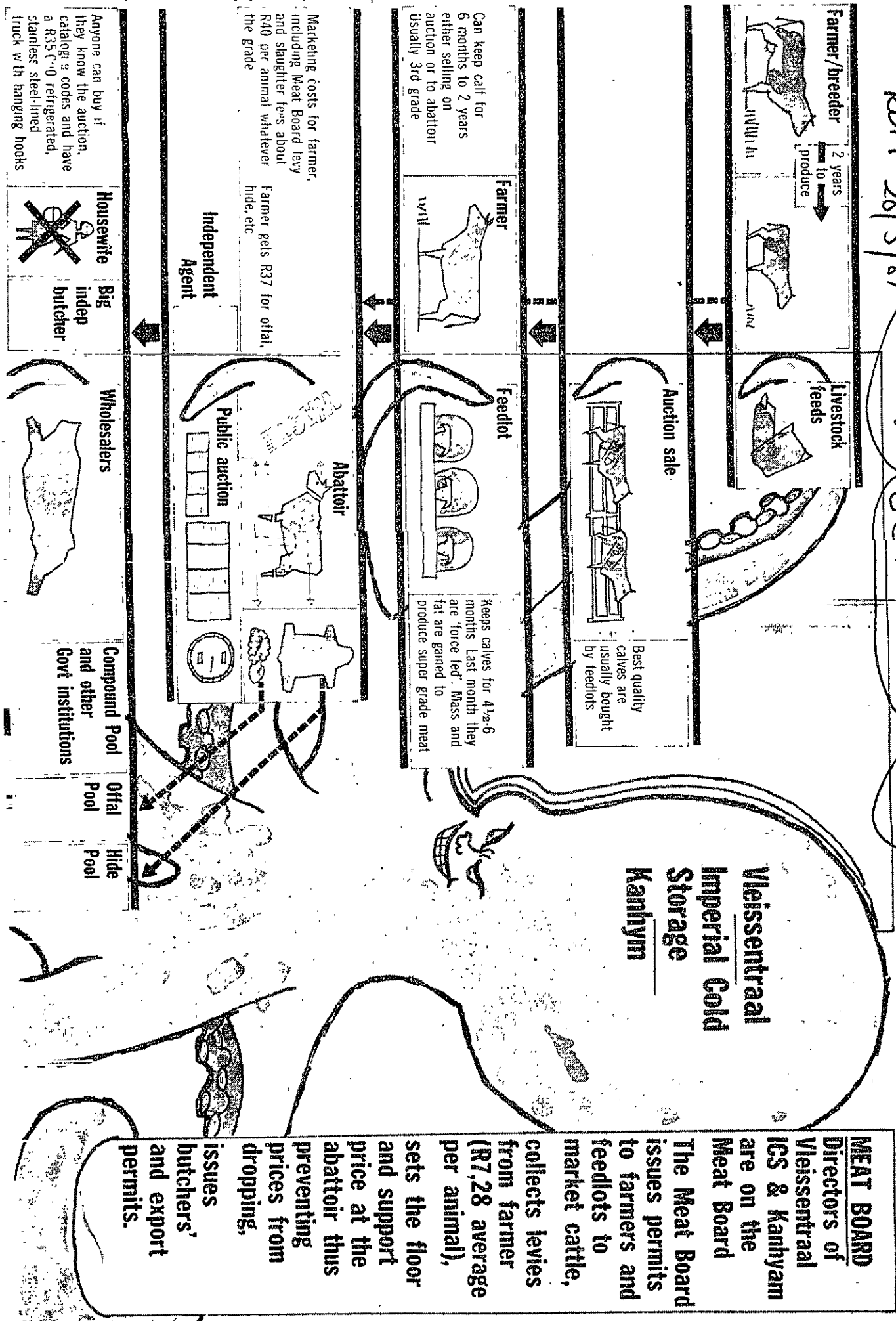
FARMER/BREEDER
pays 6.5% (negotiable) on value of live animal to...

AUCTION AGENT

FEEDLOT OPERATOR OR FARMER
pays about 5% on value of slaughtered animal to...

ABATTOIR AGENT

WHOLESALE
adds on 5-10%



Veissentraal Imperial Cold Storage Kanhyam

MEAT BOARD
Directors of Veissentraal ICS & Kanhyam are on the Meat Board

The Meat Board issues permits to farmers and feedlots to market cattle, collects levies from farmer (R7,28 average per animal), sets the floor and support price at the abattoir thus preventing prices from dropping, issues butchers' and export permits.

but believe that vertical integration served the industry well.

By far the most interesting evidence, with far-reaching effects and described by the Housewives League as "frightening", was that of the SAAU and their relationship with co-ops.

The SAAU, the official organ of farmers in South Africa, believes in co-ops as a means of production and marketing of agricultural produce.

It wants Vleissentraal to remain entirely in their hands with all its functions "for all future time".

At a meeting late last year of the Federation of Livestock Auctioneers, which represents all those in the meat trade not associated with the co-op movement, the idea of a Sampi-like organisation to represent the meat industry was mooted.

Sampi was a breakthrough maize organisation, which eventually won the day in freeing organised maize farmers from political control and giving farmers greater representation.

The cry for a "Vleis Sampi" was echoed in evidence at the inquiry and repeated in references to the make-up of the Meat Board and the structure of the SAAU.

The SAAU handed in a list of the members of its Meat Committee, six of whom were members of the Meat Board.

Witnesses have mentioned, and Mr Justice Eloff questioned the fact of the Meat Board's eight representatives connected with Vleissentraal, as well those connected to the big meat companies.

These companies, have been referred to throughout the proceedings as the Big Three, but a fourth and new large company — National Meats — has its managing director on the Meat Board.

The Meat Board handed in a list of the integrated interests of the Big Three which contained fewer

RETAILER adds on 17-30%

Higher meat prices mean bigger profits

names than the Housewives League had expected to find on it — but this was apparently because the Meat Board had only concerned itself with the enterprises requiring licences by the board which left out many ventures.

This therefore did not include tanneries or abattoirs. Vertical integration in hides and skins formed the basis of a difference of opinion when Meat Board member Mr J J Eckstein testified in support of the National Wool Growers Association which alleged the system of marketing hides and skins through the Meat Board was open to irregularities and manipulation.

Dr Jan Lombard, the Meat Board's general manager, had agreed when he testified that malpractices were possible.

He also handed in, as incriminating evidence, a report commissioned by the former Minister of Agriculture, Mr Hendrik Schoeman, on vertical integration in the hides and skins industry.

The commission has since "freed" the evidence. SAAU, however, argued that the marketing interests of Vleissentraal in hides and skins should remain in the hands of the SAAU and Vleissentraal, causing a Meat Board official to remark later:

"They want it (hides and skins industry) from the animal to the shoe."

The difficulties in the hides and skins section of the industry was enlarged upon by the tanning industry.

His shop

Small butcher

Butcher

Supermarket (gets 7% of meat turnover)

Factory

Independent factory

Big companies control all facets of meat industry

Meat prices rose 57% last year and pushed up the food inflation rate to 30%. After prolonged calls a commission of inquiry into the industry was established and has heard evidence over the last two weeks. This is the graphic the 'Mail' published last September showing the meat octopus which has featured in the commission's hearings. Consumer Mail's PAT SIDLEY sums up the hearings.

Their evidence was presented by Mr Chris de Bruin of the Tanners' Association and Mr E Heunis, managing director of the largest independent tannery in the country.

Their evidence was that the Big Three's integrated interests in the hides and skins industry prevented independent tanners from obtaining hides.

They also accused the Big Three of protecting their export markets to the extent that they kept the market short in South Africa, even when they would get more for the product locally.

Throughout the proceedings, the Housewives League's "tannies" have sat, both keeping a watchful brief on the proceedings which they had largely instigated, as well as contributing to evidence and questioning witnesses.

Judge Eloff, in thanking the league, remarked on the fact that no other consumer organisation had participated in the inquiry.

A representative of the Meat Board, Mr Wally de Wet, has maintained a similar, though quieter, interest in the inquiry.

Sitting among the Press has been the occasional visitor, like Dr "Flip" du Toit, chairman of the Meat Board, and Mr Ben Kruger, head of the Abattoir Corpo-

ration as well as a representative of Karoo, referred to as one of the Big Three through its association with Kamhym).

There has in fact been a marked lack of interest, both by other firms (who will be giving evidence later) and by the general public.

Perhaps the industry's lack of interest could be explained by the fact that they are probably more interested in the Committee into the Long-Term Production of Red Meat, announced at the same time as the inquiry.

This committee, advised by, and contributed to, by people in the industry, will determine the course of meat production for the future. The commission's terms of reference, are to highlight problem areas in the industry.

Also highlighted in the inquiry was the distance between the farmer and any effective union representation.

Fears of the farmers to testify were raised by the Housewives League and referred to by Mr Charles Radley, an elderly farmer from Marquard and member of a co-operative affiliated to Vleissentraal. He complained about the structure of the Meat Board with Vleissentraal representatives on it.

The said one heard victimised farmers who complained and later said it was near to an election and that unhappy farmers in 1968 had not voted for the Smuts government.

Of course, farmers who were totally satisfied with the system were not likely to testify — nor to complain.

The SAAU, when asked how it felt about the accusations, dismissed them reading out letters of complaints and how they were dealt with, plus a list of complaints submitted to them by the New Republic Party leader, Mr Vausewaw.

The SAAU said complaints had been found to be groundless and in cases where farmers did complain about the permit allocations, they had in fact been overallocated — a statement which caused Mrs Forshaw to sharply rebuke the board and removed permits from under to overalllocate these farmers.

The Meat Board, who, as they put it, "stagnated" by the farmers, have testified, will be bending the allegations in detail, and answering in one when the commission continues its hearings next month.

Observers have remarked that the farmers' testimony were filed

courageous

But not only them. In one incident, a Star reporter who had investigated the industry for a year, Charlene Beltramo, was asked to reveal a source of information leading to a report in which butchers had illegally travelled to uncontrolled areas to buy large quantities of meat and sell them in controlled areas cheaply.

Of all the reporters who covered the industry over the years, she was the only one summoned to give evidence which consisted largely of revealing her sources on three stories.

Beltramo refused to divulge their names. She was allowed to appear before the commission the following Monday to testify if her sources had consented to being named in public.

A battery of Press photographers was waiting outside the building early on Monday morning, waiting no doubt for a picture of the pretty blonde reporter as she was driven off to jail for her commitment to journalistic ethics — but this was not to be. The commission had telephoned her earlier, accepting the evidence in camera and, usually, on the telephone.

The most emotional question raised, which inspired Forshaw, was the support price system.

This system, as explained by Dr Lombard, was designed to eliminate fluctuations in the meat price at the market — but Mrs Forshaw was adamant that it served only keep the price of meat artificially high.

The argument raged out of the court room and into the foyer.

While farmers were complaining, and the Press reporting the complaints, SAAU Meat Committee was having its annual conference in Kimberley, from where the SAAU stated angrily in a Press release that the farmers who had complained to the commission were not speaking on behalf of the meat farmers of South Africa, who were represented at the Kimberley conference.

The SAAU repeated this, equally angrily, to the commission.

Nevertheless, according to reports, at least one complaint was repeated at Kimberley and that was that the Meat Board would withhold permits for some months as "punishment".

And while the Housewives League complained to the commission that people could no longer afford meat, the Director of the Consumer Council, Mr Jan Cronje, rapped "emotional" consumers on the knuckles

from Kimberley, because farmers had to be kept profitably on the land.

The farmers who testified came armed with piles of yellowed and recent newspaper cuttings to illustrate their belief that the public utterings of the Meat Board and the SAAU were at variance with their experience — and with indisputable facts such as the importing of meat when farmers could not market their cattle.

And all had similar tails to tell of the arbitrary way in which permits were granted or denied.

They complained, too, that the Meat Board sitting in Pretoria was removed from the "reality" of farming and "some woman in an office" in Pretoria decided their future.

One of the trends to emerge was the consistent complaint that vendors feel that feedlot operators get preferential treatment by the board in the way it operates its block permit system.

And although this was denied, the SAAU said the vendor farmer had reached his optimum level of production and the future lay in feedlots.

Lightening the sombre proceedings was farmer Johannes van der Walt.

He joined the oft-stated plea for stability and called for total price control in the industry. And, with an apparent disregard for the fact that he was in a court, he peppered his evidence with: "Sorry, I'd like to say more, but I haven't the time, I've got to go."

EXPRESSSCOPE FINDS FARMERS IN DRIVING SEAT



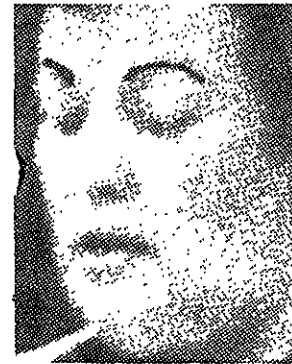
● Owen Horwood ... making nonsense of his anti-inflation appeals.



● Chris Cilliers ... people have had good increases and can afford to pay.



● Horace van Rensburg ... if they hamper a free market economy, scrap them.



● Joy Hurwitz ... production costs plus a reasonable profit a fair yardstick.

Control boards leave consumers out in cold

SEXPRESS 29/3/81 (3 control boards)

CONSUMERS are left way out in the cold when it comes to the workings of the agricultural control boards in South Africa.

Expressscope this week established that consumers were represented on only eight of the country's 21 agricultural control boards and, in canvassing opinions on this, it was told:

- The SA Co-ordinating Consumer Council, overall consumer body created by the State to look after consumer interests, is in favour of producers controlling the boards.
- Mr Chris Cilliers, director of the South African Agricultural Union, sees the union's main concern as protecting producers — and consumers can pay up.

"People have had good salary increases and can afford to pay more for food — so why shouldn't they?" he said.

Mr Horace van Rensburg, PFP spokesman on consumer affairs, said this week that control boards and all other bureaucratic organisations which hampered a free market economy should be scrapped.

"A plethora of commissions, councils, boards, committees and agencies, burdened by compliant and submissive Government supporters lacking both initiative and managerial ability, have been created to control the economy.

"This monstrous and lethargic bureaucracy should be replaced by a free market economy ... Dr Owen Horwood's appeals at the anti-inflation conference this week are a lot of baloney because only the scrapping of over-control will free the economy and curb inflation."

Mr Philip Myburgh, PFP spokesman on agriculture, said

AGRICULTURAL control boards, already under the spotlight with disclosures of near-monopolies in the meat industry, featured even more prominently in the news this week with disclosures by Progressive Federal Party spokesman that the cost of running them had in the past year risen by 28,5% from nearly R22-million to more than R28-million at a time when the price index for food is up 117,5% on 1975. Whose interests are the boards serving? Expressscope investigated.



By
JEAN LEMAY
Political Reporter

have led to a 94% increase in Dairy Board costs.

"The Dried Bean Board seems to have lost its head — it cost went up 121% in the last year, while the booby prize must go to the Dried Fruit Board whose administrative costs increased by 181% last year."

Meanwhile the SAAU issued a controversial statement at the weekend in which it strongly defended the producer majority on control boards.

The statement said it saw this as not negotiable.

Agricultural produce was the farmer's property until it was sold, and he had as much right to a say in the price as any other entrepreneur, it went on adding: "What manufacturer will give the consumer an equal say in the price determination?"

The statement went on to caution 'responsible fellow-citizens to watch out for wolves in sheep's clothing', adding that the SAAU would counter the attack with dignity and 'without mass hysteria'.

The purpose of control boards was to secure a controlled price for producers, said Mr Cilliers.

He added that the SAAU decided to take a stand on the issue following adverse Press publicity of the control boards, starting last year with a Sun-

day Express investigation into the marketing of eggs.

Mr Cilliers later phoned Expressscope to say the SAAU welcomed the presence of consumer representatives on control boards "so that their salary increases could be compared with increases in producers' costs in recommending prices".

Mrs Joy Hurwitz, president of the Housewives' League, told the Sunday Express that it had criticised the control board system in evidence to the Eloff Commission of Inquiry into the Meat Industry this week.

"The SAAU's protest seems to me to be timed to coincide with our evidence," she said.

Commenting on Mr Cilliers' remark, she said the costing of basic food products should be done in relation to production costs plus a reasonable profit, and not in relation to consumer income.

"The consumer has as much right to protection as the producer and the control boards should consider the consumer in relation to the present inflationary situation," she said.

Mr Bill Heunis, an assistant director of the State-funded Consumer Council, said in a statement to Expressscope that, although the council would welcome stronger consumer representation on the boards, it

could not attack the control board system because orderly marketing was needed.

"We believe in dialogue and not in emotional and dramatic exposure of problem areas regarding the consumer," he said.

The Sunday Express established this week that consumer representatives sit on only eight of the country's 21 agricultural control boards — those which control the production and sale of meat, maize, potatoes, dried fruit, eggs, wheat, citrus and dairy products.

Moreover, the regulations governing these eight say that producers must be in the majority, with eight of the statutory 13 members representing farmers and farmers' co-operatives.

There are no consumer representatives at all on the remaining 13 control boards, some of which consist entirely of farmers, representatives of producers such as agricultural co-operatives, and departmental advisers who have no vote.

A spokesman for the Department of Agricultural Economics and Marketing said the consumers had nobody to speak for them on the remaining 13 control boards because these boards dealt with the disposal of surpluses

"There would be nothing for consumer representatives to do."

However, Mr I S Geldenhuys, director general of Agricultural Economics, said the department's policy was to take the consumer into consideration when it came to price-fixing of agricultural products, which was done through the Marketing Council.

● Farmers themselves have also criticised the control boards — in evidence to the Eloff Commission, in the current uproar in the Maize Board in which the board's president threatened to resign, and in the fiasco in the egg, butter and cheese industries which has led to imports following surpluses.

(Report by Jean Le May, 171 Main Street Johannesburg)

'Time to replace this monstrous bureaucracy'

RDM 23/4/81

Board attacks 'Mail' meat price survey

~~24/4~~ ~~3/4/81~~ 3 central boards

By SUE ROBERTSON
 A COMPARISON of meat prices between Zimbabwe, Botswana and South Africa, was "ridiculous" and "unfair," because the supply and demand structure in a sophisticated economy was different from that in an undeveloped country.

This is the view of a spokesman for the Meat Board. Mr Koot Blignaut, who attacked a Consumer Mail survey and report yesterday which revealed that South Africans paid as much as 291% more for their meat than their Zimbabwean and Botswanan neighbours.

But the president of the Housewives League, Mrs Joy Hurwitz, has blamed high meat prices on the "artificial" support price at auctions.

"We want that support price abolished immediately to allow for some fluctuation in the market. The Meat Board seems to think consumers don't like fluctuations."

She added that it was "crazy" that two countries — South Africa and Zimbabwe — that were so "similar" could have such discrepancies in

meat prices.

But Mr Blignaut called the comparison "ridiculous".

"It is rather unfair to compare a country with a lagging economy with a country like South Africa where there is a high level of economy."

"Price is determined by supply and demand and, obviously, the buying power and affluency of a community," he said.

South Africans had more money and therefore could buy more meat, he said.

But Mrs Hurwitz said: "Our main concern is that in a meat producing country everyone should be able to buy meat. But in fact only a few are able to do so in relation to their income."

Mr Blignaut said the current meat shortage had also contributed to price escalations.

He said it was unfair to make the comparison between Botswanan and Zimbabwean meat which is ungraded, though not necessarily inferior, to South African meat.

"It is a non-comparable comparison," he said.

Referring to low-priced meat bought from Botswana by the Meat Board and then sold at

current high South African prices, Mr Blignaut said: "It depends of what people want to pay for the meat at an auction. It is a normal open market situation where supply and demand determine the price."

"There is nothing we can do about it."

He denied the Meat Board made any profit from these sales.

Mrs Hurwitz compared the importing of Botswanan meat to previous imports from Zimbabwe, saying that consumers never received the benefit of the lower prices.

The president of the South African Agricultural Union, Mr Jaap Wilkens, joined the Meat Board in its attack.

"The only reason for this big increase (in meat prices) is there is a bigger demand than the supply," he said.

"We are getting a bit annoyed by the Rand Daily Mail. They are the only ones always complaining about the price of food — but consumers use other items too. What about price of hairdressers?" he asked.

Place	Project	Number of Participants Interviewed
IMOLOPHU	Communal garden Zenzele Centre (which students helped to build)	3

rs & members)

2.4 NOTES CONCERNING MY INFORMATION ON THE PROJECTS

1. Amathole Creamery was the only place where I could check the figures people gave me. Generally, their estimates of income were more than twice as high as the actual amount earned over the last year. Over-estimation of profits from the project may be a general trend. Projects fluctuate so wildly over time (also depending on seasonal and market conditions) that it is misleading to take any one time as representative.
2. The people I interviewed are a specific section of the population i.e. those who have decided to get involved in projects. One cannot take them to be a cross-section of the population at large. While I have the income from all sources for the people I interviewed, it is difficult to compare them with others as there are no records of the income of the general population.
3. Because there are figures concerning how agricultural capital (e.g. land and stock) are distributed in the rehabilitation planning reports, I have used access to land as an index of project participants' wealth relative to that of the total population of the village. This is problematic in that one is not dealing with a class of peasants or farmers. The major source of income in these areas is remittances from migrants. If a person is too poor to plough her fields, it makes no difference whether she has any or not. The only really significant differentiation one can make is between those families which have Full Economic Units and the others. (Most of the families with Full Economic Units I came across have no other source of income than farming). Generally, the FEU families are the most established peasant farmers in the area: they were only allocated the FEU's because they had the most land and stock at the time of survey. I have made no attempts to analyse the class structure in detail. Basic divisions I use are:
 Professional and business people (shops and transport)
 People with access to land
 People with no agricultural resources who are generally migrants
4. One must note the family linkages within the business and professional class and how different sectors support each other at various times.

NEWSWAVE FM 8/5/81
3 control boards
No changes ~~3 control boards~~

Surprise! The new director of the South African Agricultural Union (SAAU) is completely in favor of retaining the control board system for the nation's farming sector.

That's to be expected. Piet Swart has spent his entire working life in the agricultural bureaucracy.

After graduating from Unisa, the 46-year-old Swart worked for the Meat Board from 1952 to 1963. He then joined SAAU, becoming general secretary three years later. In 1971, he was promoted to deputy director and last week moved into the top position to "just administer" SAAU's policies handed down by its board.

The SAAU is not dominated by the Broederbond, he says, being a "completely non-political, democratic organisation

for all its members. We're not out to promote anybody other than farmers."

Swart says there are too many "generalised complaints" about the various control boards for which the farming members are nominated by the SAAU. He says the "real question is stability. Without control, there would be such wild fluctuations in production and prices that food supplies would not necessarily be guaranteed. We don't say they're perfect, but there is just no alternative."

But whatever the reason, there's no denying that food prices have been skyrocketing over the last few years. By Swart's own reckoning, the price of beef has jumped about 50% in the last year alone. Overall, all food prices rose at least 29% in the same period. Blacks whose incomes have not kept pace, have been especially hurt.

In the case of meat, where the Meat Board determines a floor price, market forces have pushed the selling price way above the set level. Swart says that means "the free market is telling us we're in a shortage over the medium term."

Overall, Swart says the real culprit for food prices is inflation. "All of our costs — tractors, fertilizer, everything — have risen." He estimates that the combined index of agricultural requisites has increased by 26% during the 1979-1980 year, "so food prices must increase too." With curious logic, he adds: We must ensure that farmers make a profit."

And the price spiral will undoubtedly continue. Swart predicts that while meat producers are making their "first real profit in five years," the Meat Board will hike the floor price for beef "substantially" in the next few months.

"We need a price that is realistic for

the farmer so he can be assured of a profit when he commits his capital. I appeal to consumers to understand the benefits over the long term for SA."

If the control system is so bad, he asks, then why is it that SA is the only exporter of food in Africa, and only one of seven in the world?"

No one doubts SA has the most advanced agricultural sector in Africa. For Swart, an Afrikaner by birth and disposition, the reason for that is the "pragmatic, realistic outlook" of the country's 70 000 farmers

That description could apply to Swart as well. Born in Germiston — son of a mine surveyor — he lived in Springs and Pretoria. He has no illusion that the future is totally secure for agriculture. He says there is "every possibility" that labour unrest will spread to the rural sector "in a number of years."

But in the meantime, Swart says farmers have a "crucial" role to play in SA. "We expect the population to double by the end of the century. And we must prepare for it now. It really is that simple."

CHICKENFEED: THERE WAS NO CONSPIRACY

S. Tuboise 17/5/81

3 cont'd
Beads

THE Government's monopoly watchdog, the Competition Board, says it can find no evidence that South Africa's major feed companies have formulated a masterplan to control the poultry industry, nor that they have manipulated the Egg Control Board for their own advantage.

The allegations of monopoly were made in a Supreme Court, Cape Town, case in which a Paarl egg farmer, Allan Stuart, is seeking to stop the Egg Control Board from forcing him to cut back considerably on his number of egg-laying hens.

In papers before the court he alleged that major feed producing companies — Tiger Oats, Premier Milling, Tongaat Sugar and Bokomo Milling — had a monopolistic stranglehold over the poultry industry.

But in other papers before the court the Competition Board says in a report — which has been accepted by Industries, Commerce and Tourism Minister Dawie de Villiers but which has not yet been published in the Government Gazette — that there has not been an infringement of anti-monopoly legislation.

Reserved

However, the board says it will be watching future developments carefully. It draws attention to the degree of concern and suspicion on the part of many small egg producers caused by the "vertical integration" of feed manufacture and egg production.

Judgment in the case has been reserved. The Competition Board report traces how these major feed companies have taken over a proportion of egg production since entering this field about a decade ago. It says a further concentration on the production side would not be favourable to economic competition in the industry.

The report states: "It is especially the independent egg producers, whose existence depends exclusively on their egg production, who have become suspicious over the enormous expansion and vertical integration of the feed manufacturers in this industry, where the independent egg producer traditionally played the leading role.

"These egg producers had to watch powerlessly as the companies with much capital muscle took over control of nearly half the laying hen population.

Interests

"Their fear that the big feed companies can and will continue their 'swallow up campaign' has, among other things, caused a hostile attitude between the independent egg producers and the feed manufacturers with interests in the egg industry."

The board's report was handed in to the Supreme Court as an annexure to an affidavit by De Bertus Olivier, general manager of the Egg Control Board.

In his founding affidavit Mr Stuart said he had seen a "secret masterplan" drawn up by Premier Milling, Tongaat and Tiger, to force the small egg-producers into subservience or bankruptcy and acquire a still greater "corner" of monopoly in the market and thereafter a vast increase in egg prices.

He said the major feed companies controlled the Egg Control Board and the

National Egg Producers' Co-operative (Nepco).

The Competition Board's report says it could find no convincing evidence of a masterplan, and no proof of the allegations that the "big three" — Premier, Tiger and Tongaat — had manipulated and dominated Nepco and the Egg Control Board for their own advantage.

Dismissing allegations against feed producers with interests in the egg industry, the board found that producers were not responsible for restrictive practices in terms of the relevant law.

The fierce competition between feed producers to supply chicken feed made it unlikely that they would increase feed prices to make good their losses on egg products. The Competition Board also ruled out the charge that egg producers were responsible for restrictive practices.

Other allegations dismissed were that producers controlled raw materials for chicken feed manufacture, and that chicken feed was supplied more cheaply to affiliate producers.

"The Egg Control Board's composition and the manner whereby members are nominated and appointed, as well as the fact that the board of the Egg Control Board ... was composed before Nepco's establishment, casts doubt on the accusation that Nepco could have been established with such a sinister aim.

"That certain members of the Egg Control Board and Nepco were in the service of certain big feed manufacturers, is therefore not a proof of manipulation.

"In the light of its findings the board is not convinced that feed manufacturers, through their participation in the founding of Nepco and representation on the Egg Control Board, are responsible for a restrictive practice in terms of the act."

The Competition Board's report traces the way in which the entry of the major feed companies into egg production had in a relatively short time transformed the structure of the industry.

Insolvent

It says one of the most important reasons the feed companies went into egg production was the dilemma which arose because some chicken farmers could not get loans from the Land Bank for their working expenditure. The feed companies became the "banks" of the chicken farmers.

"When a chicken farmer got into financial difficulty, the feed companies, rather than see the farmers declared insolvent, decided to take over the farms not only to redress their irrecoverable debts, but also to prevent their competitors buying the farms."

The report includes a table showing that the number of farms with more than 500 egg-laying hens has dropped from 1430 in 1969 to only 400 in 1978.

"The biggest drop took place in the farms with fewer than 10 000 hens.

"Further it is clear that in 1969 there was no talk of egg producers with 100 000 or more hens, while in 1978 13 such farms were responsible for more than 50 percent of the total egg production.

"This concentration tendency is chiefly attributable to the entry of the big chicken feed producers into the production of eggs."

The case

against

Milk Board

sponsorship

3 central boards

Augus 19/5/81

THE Dairy Board's R23 000 sponsorship of two rugby tests against the Irish has drawn criticism from two organisations running nutrition programmes for the poor.

Kupugani, a national organisation distributing food to low income groups, and the Peninsula School Feeding Association, have questioned the need for the Dairy Board to spend money on advertising milk while poor children suffer from the malnutrition disease, Kwashiorkor.

The criticism arose after famous Springbok and Western Province captain Morné du Plessis called on the Dairy Board to devote R23,000 to combating kwashiorkor — and the same amount it used for sponsorship of the rugby tests.

A spokesman for the board said the money came from its advertising budget, not from its R750 000 subsidy on skimmed milk powder.

AT ISSUE

Mrs Roma Pridmore, national manager of Kupugani, said from Maritzburg it was not only the R23 000 sponsorship for the rugby tests that was at issue, but the entire advertising budget of the Dairy Board.

Even if they argue that using that money would not bring down the overall price of milk, why can't

they offer properly subsidised milk to people living on low incomes?' Mrs Pridmore asked.

She said subsidies to organisations like Kupugani had been withdrawn, and she appealed for these funds for feeding programmes to be reintroduced — not only for skimmed milk, but also whole milk.

COST MORE

Kwashiorkor was a great problem, particularly in Natal where she worked, and Kupugani was about to launch a nutrition education campaign there.

'But how can you get your message across when the thing you're suggesting they use — milk — costs more and more?' she said

She would not have thought milk needed advertising to the general public, since it was a commodity people already bought every day.

'But they are advertising a product now out of reach of many of the people — particularly the low income group.'

This is the second strong criticism by a feeding programme of the Dairy Board's advertising campaign.

Yesterday Mr N Freeman, organisational secretary of the Peninsula School Feeding Association, said it was insensitive to spend money on rugby when children were dying of hunger, and he questioned the need for the advertising.

1939 and 1962 mortality data was only published according to an intermediate list.

A geographical analysis of deaths has been published since 1938^{4,5}.

Details are provided for race, magisterial district, urban and rural areas, place of residence and place of death. There is no information about sex, age or cause of death.

Methods:

In this paper deaths are analysed at approximately 10 yearly intervals corresponding to the census years. These years have been selected in order to reduce errors in estimating the age specific composition of the populations. The first complete year for which all death certificates were examined by a medical assessor attached to the office of census and statistics was 1929, and this year has therefore been chosen as the starting point for the present study.

The Asian population has been excluded from this investigation because of the small number of deaths involved and also because of inconsistencies in the published data^{8,9}.

Age specific population figures for Blacks in the principal urban areas are not available and consequently the majority of the calculations cannot be

performed for this group. Furthermore, where the denominator for a rate can be obtained, as for infant mortality, migration in and about of the urban areas can make the rate obtained meaningless. An example of this is Johannesburg which in 1929 had a de facto infant mortality rate of 1920/1 000!

The following indices were calculated for Whites and Coloureds:

- (i) Infant Mortality rates (IMR)
- (ii) Standardized Mortality rates (SMR)

This procedure eliminates the differences in the age structure of the two

Star 18/6/81

Farmers could be paid more for beef

~~3 centilbours~~ ~~3 cent~~

By Caroline Braun, Consumer Reporter

Meat Board officials are meeting the Minister of Agriculture in Pretoria today to discuss raising floor prices of beef.

The Meat Board and producers think the present floor price — the minimum price guaranteed to farmers for their meat — is unrealistic.

Floor price for super beef is R1,52 a kg, while the meat has been averaging R2,30 a kg at the daily auctions.

It is believed the Meat Board will ask the Minister to raise the

floor price to about R2 a kg.

"The new price should be a realistic and justified one which gives the farmer a fair price for his product and allows the consumer to buy at a fair price," said the Housewives' League president Mrs Joy Hurwitz.

"What we ask is that the support price for meat be abolished," she said.

The support price fixed weekly, was introduced by the Meat Board to counteract short-term fluctuations. It is based on the average price of the previous week's sales.

are summarised in Table I.

The age and cause specific mortality rates for the years 1941, 1951 and 1960 had previously been calculated by Preston et al⁸ and this data has been used in the present study.

- (iv) Proportional Mortality.

Board to meet
new home

Own Correspondent

Growth in the demand for oil-seed crops has led to such expansion of the Oil-Seeds Control Board that a R9,3-million building to house it is being built in Pretoria.

The board's growth has been phenomenal and in 1976 new premises were needed but, due to the Government anti-inflation manifesto, they stalled over new accommodation. As a result the board is now 20 offices short in their present building, resulting in high overcrowding.

(1979)

each & Hearing
t graduate in
udiology or
versities of
strand and

Mis
Cap
Pre
Log
spee
Assc
Awar

LOGOPAEDICS

P J Matley

Awarded in the final year of study
on the outcome of a voluntary
clinical and oral examination;
Ebrahim Memorial Prize in Haematology

HAEMATOLOGY

G D Braatvedt

To the best student in Community Health
at the end of the fifth year.
John Fleming Brock Prize

COMMUNITY HEALTH

T A Hockey

H J Ball

C G Archibald

mark.

Awarded on the class mark taken
together with the final examination
Dr Kurt Gillis Prize for Anatomy

T A Hockey

H J Ball

C G Archibald

the MB ChB degree.
in the anatomy course leading to
For the highest class mark obtained
M R Drennan Memorial Prizes

ANATOMY

J M Cornell

For award in 1980.

For the best student in Anaesthetics.
S A Society of Anaesthetists' Medal

ANAESTHETICS
(Continued)

'Chaos' feared as new meat grading system comes in

RDM 2/7/81

3 casual boards

By PAT SIDLEY
Consumer Mail

THE Meat Board's new grading system is to be introduced at abattoirs from today — and is likely to cause "absolute chaos" to buyers on the markets and retailers.

That is the opinion of two major supermarket chains — and neither they nor another chain will be equipped for the change when they start receiving the newly graded meat at the end of this week.

Most consumers will find old grade markings on the labels, as well as the Meat Board's new grading guide plastered all over the walls.

And the cuts of meat will be roller marked during the rest of this week, with both old and new grades, depending on whether new stock has come into stores.

All sections of the meat industry have known for more than a month about the new grading system.

One supermarket spokesman

said "off the record" it would be marking its grades exactly as it had in the past. He did not know how to effect the change-over to the new system.

Another said it was possible that prices would soar for a while during the confusion. Buyers were not sure how to cope with the new grades, and farmers were not sure whether and how much to supply the market with animals.

He said the situation at the City Deep abattoir had been chaotic yesterday. Animals were being sold at the old grades, but the live animals coming in were being graded according to the new system.

A spokesman for another supermarket said he "expected confusion". It was not certain how the cuts would be labelled for all meat purchasers to clearly understand, and whatever system was adopted would not be ready this week.

A spokesman for a third supermarket said "the labels for the new grades were at the

printers". To add to the confusion, buyers on the market from today will be dealing with the new grading system and the old floor price (the minimum price payable to farmers) and nobody could venture a guess as to which support price would be used.

The support price is based on average prices and prevents the auction price from dropping more than 6% a week.

Meanwhile at City Deep yesterday lamb and mutton prices continued to rise while beef prices remained fairly stable.

Super lamb fetched between 296c and 308c a kg yesterday. On Monday it was between 279c and 287c a kg.

Super beef fetched between 230c and 245c a kg, much the same as Monday, although Monday's beef prices were considerably higher than Friday's.

Supermarket spokesmen believe the recent price rises in beef, mutton and lamb are because of the month's end.

UR
RE
PL

Bell-John Prize
For the best all-round student
in any year of study.
P C Key
The Committee of the Western
Cape Chapter of Quantity
Surveyors' Prize
For the student obtaining
the highest marks in
Professional Practice.
P R Swift
LTA Prizes
For the best student in each of
the courses of Building Economics I,
II and III in the third, fourth &
fifth years respectively.
I : N D G Sessions
II : A R Low Keen

QUANTITY
SURVEYING
(continued)

SIDNEY MATUS

③ control boards FM 3/7/81

The necessity of control boards

SA's 21 agricultural control boards are widely regarded as stumbling blocks to free enterprise. The FM spoke to JCC president and Spar executive director Sidney Matus, who believes they have a vital role.

FM: How do you reconcile your belief in free enterprise with your support for the concept of control boards?

Matus: Control boards create orderly marketing at producer level and thus help to keep the farmer on the land. They are essential from the point of view of feeding the nation and exporting to adjacent nations. A free enterprise economy can only work successfully if it does have a few constraints. For example, imagine the situation of a maize shortage combined with normal market forces. The price would shoot up outside the ability of blacks to pay and this could lead to political upheaval.

What about the argument that fixed prices don't encourage efficiency?

This is an inherent weakness because when prices are fixed, the costs of inefficient producers are taken into account. This is inflationary, especially in times of surplus like we have now.

What about excessive price increases in administered prices — for example, the almost 60% rise in meat prices over the last year?

The Meat Board made a terrible mistake by holding the price down artificially for five years. Now we get a 59% increase in the meat price over the year, which is crazy. If you took it over five years the annual increase wouldn't be so bad — 10% a year.

But if you look at the entire structure of administered prices the control boards have a fairly good record. We have, for instance, the cheapest bread in the world.

Is maize not an exception to that?

It has been in previous years. But this year the maize price rose by only 9.6% and all that did is to give farmers the same price. The rise went to finance the loss on exporting the surplus.

Is there no alternative to this system of producing a surplus which is then exported at a loss?

The amount of maize which is required for the local market should be assessed at the beginning of every season and that quantity should be paid for by the Maize



Board at a fixed price. Farmers could be given quotas. Any surplus should be put on the free market. This would prevent people from overproducing.

What do you see as the negative aspects then?

Well, there are certain control boards, like the Dried Fruit Board, whose existence is difficult to justify. But where I really have criticisms of the control boards is the way in which they are structured. The composition is wrong. They consist mostly of producers who tend to fix their own prices.

In a commission of inquiry into the Marketing Act in 1973, Assocom decided it was unethical for boards in which the primary producers had a mandatory majority to be empowered to fix the prices of their own products and to determine the conditions of third party trading. It suggested that the boards merely fulfil an advisory role and that price recommendations be vested in a reconstituted national marketing council.

How would you suggest the boards be reformed?

In such a way that no single sectional interest has a majority. I'm not being dogmatic about who should be on them, but the balance must be right. They must have trade representatives. What would probably be ideal would be something like one third trade, one third consumers and one third producers.

Is the cost of operating the control boards — R30m per annum is the most recent figure — contributing to food price inflation?

The cost is peanuts. People make a hell of a fuss about it but it's nothing compared with the population and the volume of produce which the control boards handle. Soweto alone, for instance, has a deficit of R18m.

Meat Board may take over chickens

Own Correspondent

CAPE TOWN: — Meat Board moves to take South Africa's chicken industry under its wing are strongly hinted at in the latest edition of "Meat", a bilingual magazine for the livestock and meat industry, dairy, poultry and allied trades.

According to an editorial article, poultry meat has captured at least 25%

of the country's meat market, and feed-lot owners, who recently formed an association to get statutory recognition as well as representation on the Meat Board, supply about one third of the beef on controlled markets.

"Both these wings of the meat industry play important roles in the meat supply of the country and it is of the utmost importance that the authorities look ahead in dealing with these vital

food supplies," the article said. "With the general election over and done with the authorities can now afford to take the long term view and fit policies to the real needs of the country."

The article continues: "Since the Prime Minister launched his pro-private enterprise moves some time ago, we have had the incredible situation

that many business organisations jumped on the bandwagon, claiming to be part and parcel of the private enterprise system.

"It is, therefore, of the utmost importance to differentiate between the pseudo private enterprise organisation with some Government backing and the genuine free enterprise organisations enjoying no such privileges in competition from any source or Government."

QUANTITY SURVEYING

(Continued)

Bell-John Prize

For the best all-round student in any year of study.

P C Key

The Committee of the Western Cape Chapter of Quantity Surveyors' Prize

For the student obtaining the highest marks in Professional Practice.

P R Swift

LTA Prizes

For the best student in each of the courses of Building Economics I, II and III in the third, fourth & fifth years respectively.

I : N D G Sessions

II : A R Low Keen

III: No award

S A Brick Association Prizes

For the best student in the subject of Building Construction.

C W von During

For the second best student in the subject of Building Construction.

K Strong

Student Planners Award

For the student who has shown greatest promise at the end of the first year.

M P Morkel

Chicken control moves denied by Meat Board

RDM 15/7/31

By PAT SIDLEY
Consumer Mail

THE Meat Board and the Department of Agriculture have denied suggestions that moves are afoot to control the chicken industry — but import control measures have been instituted.

These measures will prevent the large-scale import of chickens, as happened at Christmas last year.

An editorial in a livestock and poultry magazine, "Meat", suggested this week there might be moves afoot to control the poultry industry, which has captured 25% of the meat market.

But this was denied by the Meat Board and other organizations concerned with agriculture, meat and chicken production.

A spokesman for the Department of Agriculture said there had been no discussions on, or intentions to, control the poultry industry.

But he said a "gentlemen's agreement" with the Departments of Customs and Excise and Imports and Exports meant that when a permit to import chicken meat was requested, this was first referred to the Department of Agriculture.

The agreement was instituted after a South African Agricultural Union congress in Kimberley earlier this year, where concern was expressed over the depression of red meat prices last Christmas when millions of chickens were imported from the United States.

The spokesman said that in terms of the Marketing Act, a

majority of producers would have to ask for controls and only then could the Government consider the possibility.

A spokesman for the South African Agricultural Union also denied the reports.

Mr Peter Wighton of Premier Group, one of the major chicken producers in the country, said it was "highly unlikely" the industry would ask for controls.

If that proved it could operate without them, he said, and added that the industry was ensuring a good Christmas supply by producing more chickens and exporting fewer.

tion. in the

ction.

s

ch of Economics I, outh &

For the

C W von

subject

For the

S A Bri

III:

II:

I:

fifth y

II and

the cou

For the

LTA Pri

P R Swift

Professional Practice.

the highest marks in

For the student obtaining

Surveyors' Prize

Cape Chapter of Quantity

The Committee of the Western

P C Key

in any year of study.

For the best all-round student

Bell-John Prize

PLANNING
REGIONAL
URBAN &

(Continued)

QUANTITY
SURVEYING

PETER MANN reports from Cape Town

THE Dairy Board's massive rugby sponsorship has again come under fire and the latest news is that it is considering sponsoring the Craven Week now that Toyota has withdrawn its support.

As the Springboks set off for New Zealand this week they again wore the distinctive milk emblem denoting that the Dairy Board sponsorship of R33 000 given for the Irish tour earlier this year covered the New Zealand tour as well.

And Dairy Board P.R.O. Jaap de Bruyn disclosed that the board was now considering taking over sponsorship of the Craven week.

This sponsorship cost Toyota R70 000 a year.

News that the Dairy Board was again sponsoring the Springboks provoked angry reaction from people trying to combat malnutrition among children.

Their anger was fuelled by the recent 14,5 percent rise in the price of milk — an average of about five cents a litre.

It also emerged this week that Dairy Board claims, when the sponsorship row first broke out, that they were administering a R750 000 subsidy on skim milk to combat kwashiorkor were inflated.

"That was the amount we were hoping to get from the Government but it turned out we were over-optimistic. We are now subsidising it on an ad hoc basis. This will amount to about R55 000 a year," said Mr De Bruyn.

He added that total Dairy Board subsidies given — including concessions on milk prices given to schools and donations to charities — cost the board about R184 000 a year.

In contrast the Dairy Board spent R65 000 on rugby in 1980 to help sponsor the Lion's tour and was spending about R35 000 this year on the Irish tour and the tour of New Zealand.

Roma Pridmore, national manager of Kupugani, and Norman Freeman, of the Peninsula School Feeding Association, both lashed out at the waste of money on rugby sponsorship while children suffered from malnutrition.

The Peninsula School Feeding Association, which gives food to 126 000 children a day, has now had to stop giving them milk — because they can no longer afford it.

They are finding it cheaper to give them hardboiled eggs. Mr Freeman said the association obtained eggs directly from a producer who boiled and delivered them at a cost of 5,8 cents each.



One of the 126 000 children fed daily by the Peninsula School Feeding Association helps herself to an egg. With milk now costing the association 9,3 cents a cup they have turned to eggs as a cheaper source of protein.

"We had to give up supplying the children with milk when it reached 9,3 cents a cup.

"Yet Dr Craven says we make him sick when we complain about Dairy Board sponsorship of rugby. If that makes him sick . . . well I hope it makes him very sick indeed." Mr Freeman said.

Roma Pridmore said Kupugani was facing a desperate situation following the increase in the milk price.

"We have asked the Dairy Board to meet a deputation from our organisation. We want to ask for a milk price subsidy. I sent them a registered letter in April. So far I haven't had the courtesy of a reply," Mrs Pridmore said.

She said Kupugani was experiencing resistance to the high price of milk.

"Last year our best monthly sale of milk powder in the Pietermaritzburg area amounted to 23 150 kilograms. This year our best month has been 17 275 kilograms.

Mr De Bruyn said people who complained about their sponsorship had a point. "Their sentiment is a good one but they misunderstand. They have got the wrong idea.

"We are not taking money away from our subsidies for this. We are diverting money from our normal advertising budget. As I'm sure you know, you don't get much publicity by helping charities.

"The members of our board expect to see some return on their money. Last year we spent R10 000 helping with the drought in KwaZulu and we received no acknowledgement for this.

"All we are doing is using our advertising budget to sponsor rugby. We hope to get more response that way than by spending the money on conventional advertising."

Mrs Pridmore said: "That's not the point at all. Why is it necessary to advertise a basic food-stuff? We have even been told there is a shortage of milk so why advertise at all?"

Mr Freeman questioned the effectiveness of all the control boards.

"They are all fat-cat organisations. One wonders what their real function is.

"We see endless ads saying Beef Is Best — and the price of beef goes up. Now the same thing is happening with lamb and milk. They squander money advertising basic commodities and the poor people suffer.

"Now the Dairy Board is thinking of taking over the Craven Week sponsorship.

"It will have to be considered by the board. But our chief of marketing, Robert Hattin, has been in Cape Town and he has been looking into the possibility," Mr de Bruyn said.

Springbok rugby captain Wynand Claassen in his Dairy Board sponsored tracksuit



Milk chiefs may sponsor Craven Week — as price rise hits feeding schemes

Dairy Board's rugby money comes under fire again



QUOTE Dr Craven says we make him sick when we complain about Dairy Board sponsorship of rugby. If that makes him sick . . . well I hope it makes him very sick indeed Norman Freeman

S. Thorne
Both boards
9 JUL 1981

MP attacks 'enemies' of control boards

Agus 22/7/81
OPPONENTS of the control board system are 'enemies of the farmer and enemies of sufficient and relatively cheap food to the nation,' according to Mr G J Malherbe, Nationalist MP and president of the Western Cape Agricultural Union.

Addressing the annual congress of the union in Sea Point, Mr Malherbe said it had become fashionable to attack the boards and co-operatives

3 control boards
some of the detractors believed a freer supply and demand situation would provide the solution to lower food prices.

'While these people theorise on the most idealistic economic concepts, these so-called 'friends' of the farmer have never had to wrestle in practice with the hard realities of nature,' Mr Malherbe said.

'One of these "friends" the chairman of the "Free

Market Foundation," comes to the following astounding conclusion in an article: "It is sometimes argued that the farmer is entitled to a reasonable income. This will not do."

'Truly, with such friends and advisers, the farmer hardly needs any enemies,' he said.

Individual farmers, unfortunately, were beginning to believe these stor-

ies, Mr Malherbe added, 'and without going into the bona fides of these colleagues, we would like to believe they are trying to be helpful in building up our system of orderly marketing and correcting what still needs putting right.'

Orderly marketing was the 'cornerstone of the eventual feeding of hungry masses,' he said.

Protect control boards plea

23/7/81

3 years food

Agreement

Mail Reporter

DELEGATES to the annual congress of the Western Cape Agricultural Union in Cape Town yesterday gave strong support to a motion calling for the protection of control boards from negative public criticism.

Award who has shown at the end

The motion also said there was a need for the general public to be made more aware of agricultural policy and the controlled marketing system.

ng Construction. st student in the

The Minister of Agriculture and Fisheries, Mr. Piet du Plessis, who officially opened the three-day congress on Tuesday night, returned briefly yesterday to address delegates on this motion.

ng Construction. ent in the

Food prices were by their very nature a sensitive issue and certain individuals and organisations were making it their business to persuade the consumer he was paying too much, he said.

Resign

tion Prizes

Loud applause from the nearly 200 delegates greeted Mr Du Plessis' statement that he would rather resign his post than see the removal of controlled marketing for certain commodities.

ent in each of tiding Economics I, third, fourth & ctively. sions een

Although he supported the Government's principle of moving towards a free market system, the agricultural sector was different from others in the economy in that it had special problems which could not be handled in the normal way.

ttice.

Certain aspects of South Africa's marketing control could be criticised, but studies and exchange of information with other marketing systems world-wide had time and again resulted in admiration from abroad for the South African system.

The Committee of the Western Cape Chapter of Quantity Surveyors' Prize For the student obtaining

Bell-John Prize For the best all-round student in any year of study. P C Key

PLANNING REGIONAL URBAN &

QUANTITY SURVEYING (Continued)

Maize record will cost board R300m

RDH 23/7/81



3 cental board

QUANTITY
SURVEYING
(Continued)

THIS year's giant maize crop, with its record export surplus, will involve the Maize Board in unprecedented losses of nearly R300-million.

It will take a ship a day carrying 14 000 tons, each cargo valued at about R2-million, to move the huge surplus to foreign markets — mainly Japan and Taiwan.

To finance the agricultural co-operatives responsible for paying farmers for their crops, the Land Bank has had to borrow a record R700-million from commercial banks.

Agriculture authorities in Pretoria say that although the surplus from the record crop is more than 7-million tons, it will only be possible, because of transport limitations, to export 5,39-million tons during the current season which ends next May.

Pretoria Bureau

Farmers, however, are paying record levies of R15,42/ton on white maize and R18,25/ton on yellow maize to replenish the stabilisation fund — now R41-million in the red.

To help cushion the loss, farmers will pay about R214-million into the fund and the Treasury has loaned the board R71-million and paid another R14-million in subsidies.

The board estimates it will end the season with a deficit of about R114-million.

Meanwhile, Land Bank managing director Mr T C de K Plenaar said arrangements were made two months ago to borrow between R600 and R700-million to loan to the co-ops to pay farmers for their crops.

The borrowing rate, Mr Plenaar said, was 11,5%. The co-ops paid the bank 12%. The 0,5% profit covered administrative and other costs associated with financing the co-ops.

He stressed that an agreement between the Reserve Bank and the commercial banks meant the 2% rise in the bank rate this week would not influence the arranged 11,5%.

Record levies

This means a record carryover into the 1982-83 season will amount to a 3,18-million tons compared with the normal 900 000 tons. The Maize Board expects no problems in storing the large carryover.

Based on an average export price of R125/ton for the season, the board's estimated export losses will amount to about R275-million.

However, when the carry-over deficit from the previous season is taken into account the total shortfall will be R341-million.

Bell-John Prize
For the best all-round student
in any year of study.

P C Key

estern
ty
ing

In each of
ng Economics I,
rd, fourth &

Prizes
In the
onstruction.

student in the
onstruction.

K Strong

Student Planners Award

For the student who has shown
greatest promise at the end
of the first year.

M P Morkel

Western Cape Agricultural Union (WCAU) held in Sea Point this week, almost 200 delegates sanctioned motions to impress on consumers the value of the marketing mechanisms employed.

The agenda notes that "congress expresses its appreciation towards the different control boards which, through their positive action over the years, have helped to achieve stability in agriculture."

It also suggests the launching of a "total strategy" which demands that "objective news coverage will place rising food costs, in particular, in the right perspective" and that "a regular and positive TV programme about the SA agricultural industry" be screened.

The Union president, wine farmer Giel Malherbe, said the free enterprise system, to which government aspires, is "the ultimate ideal," but that, in agricultural marketing, this system is "pie in the sky."

According to Malherbe, boards of control are the only way to ensure growth in the agricultural sector.

In response to the point that suggestion that agricultural production is less hampered when control is not exercised, he replied: "Look what happened to the farmers in the Eastern Transvaal. They had to stop producing vegetables because it was no longer profitable for

PM 24/7/81
AGRICULTURE

So, what else is new?

Control boards
Western Cape farmers have come out in strong support of control boards and co-operatives as the means of marketing their products — a stance in line with that of most members of SA's farming community.

At the second annual congress of the

them to do so. The marketing of vegetables is by the free market system. Instead they went in for maize production — a crop which is well subsidised by a control board.

Malherbe adds: "If the 22 control boards were abolished today, this would be the year in which SA would have to import food."

A member, Albert Basson, of the Porterville Agricultural Co-operative, criticised Housewives League disapproval of the recent increase in the price of dairy products.

"What would happen if I were to say the increase in teachers' salaries is a disgrace?" he asked, adding that if anyone pays for the increases in productivity, it's the farmers.

It costs more than R2m a year to run the Wheat Board

CONTROL boards — benighted or benign?
That is what consumers want answered and is why I wrote to 23 of those bodies on June 10 and asked five questions:

1. How many members comprise your board?
2. What percentage is the farmer representation?
3. How many board members are there in an honorary capacity?
4. What is the cost of operating, including overheads, salaries and fringe benefits, in fact the total cost of running your board?
5. How does the operation of your board serve the interests of the consumer or is it primarily concerned with the welfare of the producer/farmer?

The response has been good and to date 15 have replied, mostly openly.

Two boards were interested enough to invite me to visit them in Pretoria — the Citrus Exchange and the Wheat Board. This I did, fortuitously, and let us defy the alphabet by starting with the Wheat Board, under general manager D. F. Van Aarde. It presented a sound case.

There are 13 members, all paid, of which eight represent winter cereal producers (wheat, barley, oats and rye). Being an agricultural board it feels that farmer representation should predominate but this is questionable because then the producers are able to set their own prices.

The total cost of running the board for the year ending September, 1980, was R2 295 169, and these administrative costs were financed by means of a levy paid by the buyers of winter cereals. Naturally, though, these costs eventually filter through to the end of the line: the loaf of bread, the consumer.

Two million rand plus is a lot of money, but perhaps it will be fairer throughout this exercise to relate this figure to its effect on the retail price of the product.

In the case of the Wheat Board the emphasis thus alters dramatically and we find that in an analysis of the bread price (June, 1981), the control board's administrative costs amounted to 0.1cent per unsubsidised loaf of bread.

What do we get for that fraction of a cent?

A team of analysts whose primary function is to improve the quality of South African wheat, and also to raise the yield per hectare. This later aim is vital because at present, due to poor soil and fickle weather conditions, our yield is 115 tons per hectare compared with 2.29 in the

United States and 3.55 in western Europe.

This means that our wheat farmers must be paid much more for their crops to be on a viable footing and also to discourage these farmers from opting out to the less hazardous and more lucrative maize farming.

This is where I demur, although let's be fair and admit that as yet I haven't studied the Maize Board. But if maize farmers are allowed to produce with impunity and to export at a loss, then the Wheat Board is forced to attract farmers to its cause by

The board's technicians liaise with breeders on farms and research farms as well as with extension officers of the Department of Agriculture and Fisheries in a constant quest to improve strains and yields: that is the breeding of new and better cultivars.

Experimenting selectively, the breeding of a new cultivar takes up to 15 years. This entire programme is aimed at making South Africa self-sufficient in winter cereals and particularly wheat production.

A winter Cereal Research and Development Fund was established in 1953 at the insistence of wheat producers. This fund is financed by producers through special levies on the sale of their cereal grains.

The administrative functions of the board include the buying and distribution of winter cereals, a service to farmers in co-ordinating their marketing efforts; the monitoring of controlled prices; the examining of bakers' accounts for the payment of subsidies; the rationalisation of the milling and baking industries by registration procedures.

A vital function of the board is the analysing of bread so that consumers are assured of full value for money, and bakers are prevented from using water for profit!

This test is the minimum dry solids and fat content in standard bread, and the minimum fat and milk powder content of superwhite bread.

For political reasons South Africa exports wheat to neighbouring states and though, at times, we do have to import wheat, too, there are also political reasons why some countries are reluctant to make up any shortfall we may experience due to poor crops. Hence the need to be self-sufficient, and the need for research.

Bread products with a higher bran and germ content are more nutritious than white bread flour products that contain little or no bran, but all bread products make an important contribution to the diet in the form of protein, minerals (calcium and iron), vitamins and carbohydrates. In fact, grain is one of the four basic constituents of a balanced diet, the other three being fruit (vegetables), meat and milk products.

Today is an appropriate time to repeat the answers to often asked questions regarding the sale of bread.

Shops may NOT charge for slicing unless this facility is used AFTER the bread has been paid for. They may NOT charge for wrapping bread. They MAY refuse to sell half loaves (some consumers buy half a loaf of brown to avoid paying GST).

Present prices of bread are 20 cents plus 1 cent GST on brown and whole wheat, and 30 cents plus 1 cent GST on white.

Next week I shall examine the activities of the Egg Board and the Citrus Exchange.

Bread is what you are for

3 Cash Board

26 JUL 1981

S Tribune

TALKING SHOP with Colleen Shearer

THOUGHT FOR THE WEEK

Credit cards are convenience cards and the holders should pay for this facility, not the dealers. Dealers obviously raise all prices to finance their contribution to the banks so the rain falls on the good and the bad, on the cash and credit customers, on the poor and the rich. This is not fair.

ALL CONSUMERS.
The Wheat Board is not blind to this anomaly and its view is that the Government should put the horse back in front of the cart. Let me explain.
At present, to help consumers, the Govern-

The board's suggestion is that a greater portion of Government money should go towards research into improving wheat crop yields and in this positive, productive way keep down the price to the consumer instead of having such high subsidies. There is also a pressing need for scientists and technologists in the Wheat Board's laboratories where at present the spread is

Nevertheless current research is impressive and laboratories are well-equipped with sophisticated apparatus.

ment subsidises bread — 15 cents on brown and 6 cents on white (standard loaf), an amount which exceeds R200 million a year. Without this subsidy brown bread would cost 35 cents plus GST, and white would cost 36 cents plus GST.

30/11/1941

Reply to criticism of control boards

Staff Reporter

CRITICISM of the control board system in South African agriculture was mostly made in ignorance of the system's exact function in the consumer food price structure, Mr Peter Robertson, new president of the Western Cape Agricultural Union, said yesterday.

The three-day congress of the WCAU ended yesterday with Mr Robertson, former vice-president, taking the president's chair in the place of Mr G J Malherbe, who stood down after winning a parliamentary seat in the General Election.

Referring to a recent comment in the Cape Times leader page, Mr Robertson said: "When we see an editorial article in one of our leading newspapers attacking the increase in costs of certain boards over the last year or two, we are sure that this is done in ignorance of

their exact function in the consumer food price structure.

"The main subject of ignorance is how the boards are funded, and I would like to make it clear that the government does not contribute any money to the cost of management of their work.

All costs are financed by the producers of those commodities by levies on their produce," he said.

He said the boards were established by a non-political Act of Parliament to correct the bankruptcy facing farmers during the depression.

It had been realized that the country would be unable to keep whites on farms or feed a growing population without a stable agriculture.

How successful this policy had been was shown by the fact that the cost of the South African food basket was still the lowest in the world, relative to standards of living and wages paid.

...but Citrus Exchange is another story altogether...

THE Citrus Exchange is almost the golden boy of the agricultural bodies, the actual Citrus Board — unsalaried — having appointed the Exchange as its secretary. Again the central planning which is so necessary for independent farmers and the slick operations of the Citrus Exchange earn valuable foreign exchange for this country.

Export earnings total R200-million annually now, and though local consumption is 40 percent of the crop, this realises only R15-million. Obviously, then, the whole operation is export-orientated and the Exchange has agents in other countries vying for foreign markets. This keeps them on tip-toe and they do a splendid job.

Locally the Exchange promotes consumption of citrus and awareness of its benefits as well as working with and for producers by providing sophisticated research and technical services. This includes marketing-related problems such as prevention of decay, pests, packing

equipment, transport and variety improvement, the result being the internationally highly regarded "Outspan" image.

The price of citrus is not controlled but distribution is, to prevent dumping of surpluses on markets already over-supplied. The Exchange also insures a steady supply of fruit to processing factories, in fact a pooling of production to the general benefit.

The farmers sell the best fruits overseas because they get the highest prices there. Local consumers sometimes complain that they can no longer buy the best quality. They can, at a price comparable to the overseas price. Such fruit is marked Export and has a blue label and is available at Woolworths, for one. Choice grade has a yellow label, standard grade pink and substandard green.

Finally the Citrus Exchange is financed entirely by citrus growers and not by the taxpayers, and farmer membership is voluntary.

● NEXT WEEK: More Control Boards

Account
Alleged
Carriage
Hardware
Handling
Interp
Limits
Long r
Packag
Paper
Plotti
Progra
Punch
Queue
Request
Comp
Specia
STLN an
Termi
Word p
Miscel

Other:

Departmental file allocations 1
File usage, cycles, overflow, etc. 21
File backup, recovery, etc. including rescuing of elements 20

Files:

Tape access, assignment, labelling, registration 18
Tape to tape copying 1
Tape reading (mostly foreign tapes) 21
Tape writing (for local and foreign use) 10
IMPORT-TAPE/EXPORT-TAPE 10
TAPE UTILITY 10

Magnetic tape:

ASET	1	GPSS	2
ASCIISORT	3	KWOC	2
BATCH	5	MATHPACK	1
BMDP	66	MCQ	3
COMET	4	MDS(X)	3
COSTS	1	PAGER	1
CRVPLT	2	PERT	1
DMS	3	PRINTIT	15
FAMULUS	12	PROB*LIB.	2
FMP5	1	RESCUE	1
GDP	7	SACLANP	7
GENPLOT	1	SIMPLX*ASCII.	2
GLIM	1	STATJOB	16

Packages and software in general:

MCORE	1
MFD	5
NTRAN	5
PROCS (procedures)	3
SSG	1
@@CONS	1

TALKING SHOP

By COLLEEN SHEARER



Please eggspain

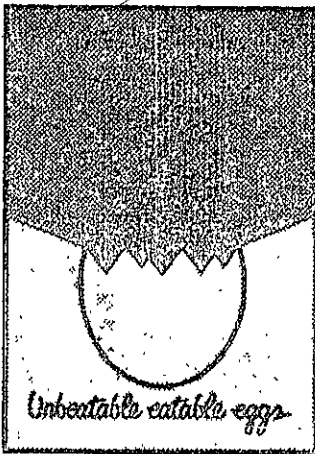
S. Tribune

2/8/81

3 cent

THE EGG BOARD

EXPORTS AT A LOSS, YET MANY SOUTH AFRICANS SELDOM GET TO TASTE AN EGG



Unbeatable eggs . . . if you can afford them

THE Egg Board . . . a big yolk or a fair and efficient control body?

Fair and efficient when we export eggs — the richest natural source of protein there is — at a loss and so many of our countrymen seldom get to taste one?

No wonder many consumers get an evil pang at the mention of the word Egg Board.

But the answers advanced by general manager of the Board, A. H. Olivier, seemed so fair and logical.

Let's study these answers and at the same time air our misgivings and see which way the scales tilt.

The Egg Board comprises eight paid members, five of them producers, and here again we have that old complaint of producers getting their own prices. Yet when one reflects on, say, the three major soap powder manufacturers — Colgate-Palmolive, Henkel and Lever Bros. — one finds they too set their own prices for we know only too well how they hunt in packs.

This seems to nullify my reservations about control boards being statutory bodies — the same economics prevail with private companies, and even farming co-operatives like bacon factories, where again the main producers keep close company pricewise.

The administration cost of the Egg Board for the financial year ending June 30, 1981 was R1 121 896. This money came from a 4-cent levy on a dozen eggs. But only 0,75 cents a dozen was used to run the Board.

This means the Board cost the consumer 0,06 cents an egg.

Perhaps this is an oversimplification because producer and handlers are involved in costs in terms of time and trouble in applying for permits and so forth. However, it is meant only as a steadying guideline.

The balance of 3,25 cents a dozen goes into a stabilisation fund. This is aimed at keeping a pool of eggs — a constant supply. When the market is oversupplied the Board buys in surplus eggs from producers at the floor price which is 40 percent lower than the ruling market price.

The price of eggs is not controlled so obviously the producer will try to sell his supplies to the retail sector first.

Why not drop prices and so sell off surpluses instead of exporting at a loss? More political hamstringing here — we export to Taiwan and Japan — but the EEC countries represent fierce competition because their exports enjoy a subsidy.

In affluent societies there is a limit to the consumption possible so prices are insensitive and in this respect we, in urban areas, are in line with most Western countries. However, we have a vast rural population virtually untapped but the problem appears to be the Achilles' heel of all big business — how to distribute economically?

The now disbanded Nepco claimed that if every South African ate just one egg a week there would be no surpluses. Big business has the brains to expand profits but seems helpless to cope with distribution.

Nevertheless the Egg Board appears to have some progressive ideas in the pipeline — unfortunately not to be divulged until about October. I am heartened by their plans which are basically to process eggs, separated and whole, to make distribution possible in a form that will not deteriorate.

As eggs are a valuable source of protein and iron, this is great news, especially as we will not then have to export at a loss.

So I shall be knocking at the Egg Board's door again on October 1.

A current Egg Board campaign to stimulate egg consumption is advertising on five Radio Bantu channels and I was told that this is creating a growing demand which is expected to accelerate within a year. Dr Olivier points out that we must first create a demand and all else will follow.

Other points made by Dr Olivier were:

- The normal wholesale price is designed in conjunction with the Consumer Council. (This was a surprise);

- Production costs are related to the above;

- The producers charge dealers in the rural

areas 1 or 2 cents more than in the urban areas;

- Marketing is free and can offer discounts. (Haven't noticed it).

- There is only control in the number of poultry kept and those farmers with more than 1 999 birds must have a permit to produce eggs;

- The price of eggs is linked to the artificial price of maize. (Yes, that's a sore point).

On this last point, since 1975 the price of samp has risen 181 percent and the price of eggs by 110 percent whereas Talking Shop's inflation rate on food items has risen just over 100 percent. So the egg producers have done quite well.

One kilogram of eggs (that is 18) costs about R1,20 and this represents excellent value for money and nutrition.

The Board sees its function as one of central planning — to have superior quality eggs available in mass groups preferred by consumers; to provide a surplus so that the market price is "honest" and not a price determined on a cost basis.

The floor price is set by the Board at a level of cash production cost of eggs at the farm gate and covers only production costs as far as feed and labour are concerned (So why do eggs on some farm stalls cost more than those in supermarkets?).

In sophisticated economies with capital intensive farming, central marketing has become the most logical exercise because small farms simply would not be able to sell their produce economically. The Egg Board does try to fill this need but such a highly perishable product is difficult to handle without problems.

One can only hope, therefore, that the Board's plans for the future overtake time and that we see a productive policy in operation SOON which will benefit ALL South Africans, especially those who desperately need this vital source of protein. And this hope extends to no exports at losses.

THOUGHT FOR THE WEEK: The Egg Board costs just over R1 million a year to run. But to feed and keep pass law offenders in prison costs about R2 million a month. Is there egg on our faces???

ch they are

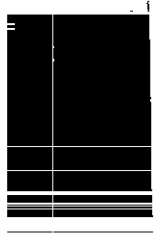
e collector

en the case

(executable) PROG with a sequence of instructions when only one is executed. This

then it is MODES line. the @PRR, F may appear to another runs. If an

EBUG page 21



4
3
2
1
Search
Note
DX
prog
durin
IT II
DX
The P
GM
GM
GM
GM
2.
Use C
free
The I
comm
to st
run
attem
Be C
1. Del

1. Operating Profit

Variance due to sales:

	Actual	Standard	Budgeted Mix Unit Version	Budget
Squaxi	9 900 x 1,4 = 13 860	9 900 x 1,4 = 13 860	8 950 x 1,4 = 12 530	10 000 x 1,4 = 14 000
Squixi	8 000 x 3,0 = 24 000	8 000 x 2,8 = 22 400	8 950 x 2,8 = 25 060	10 000 x 2,8 = 28 000
Total	17 900	17 900	17 900	20 000
	R37 860	R36 260	R37 590	R42 000

WORKINGS

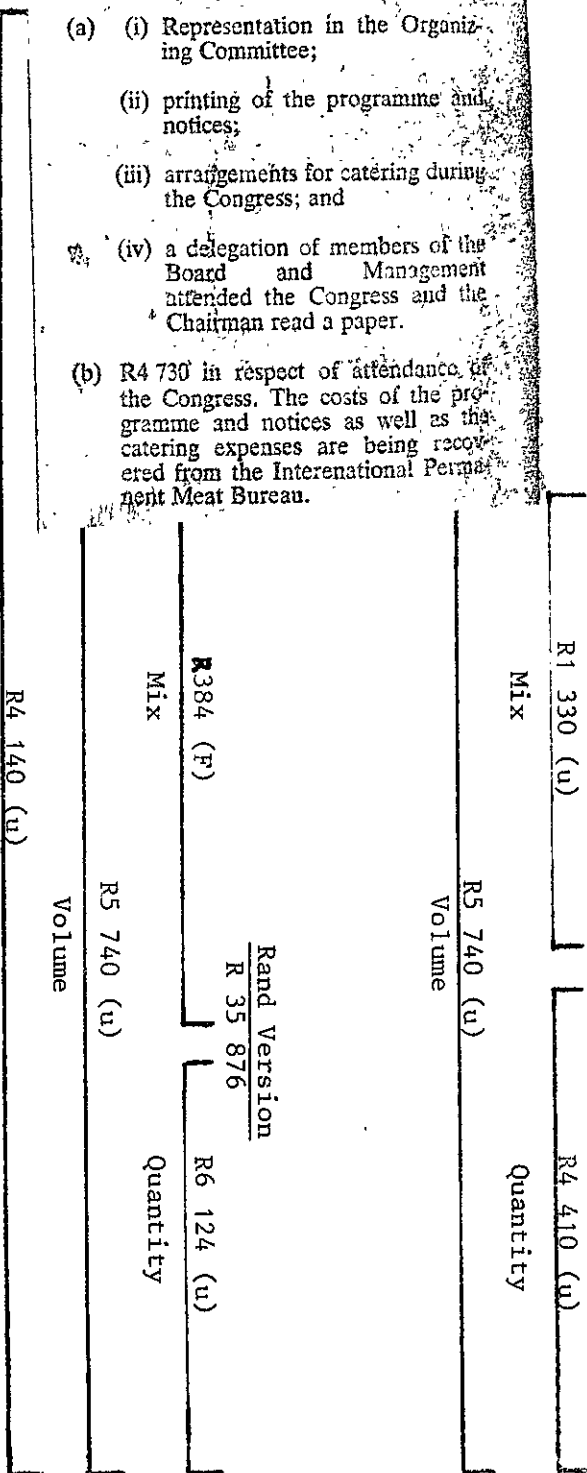
5. Mr. P. A. MYBURGH asked the Minister of Agriculture and Fisheries:

Whether the Meat Board was in any way involved in the international congress on meat held at the Good Hope Centre in Cape Town in May of this year; if so what was (a) the nature of its involvement and (b) the total cost?

THE MINISTER OF AGRICULTURE AND FISHERIES:

- Yes.
- (a) (i) Representation in the Organizing Committee;
 - (ii) printing of the programme and notices;
 - (iii) arrangements for catering during the Congress; and
 - (iv) a delegation of members of the Board and Management attended the Congress and the Chairman read a paper.
 - (b) R4 730 in respect of attendance at the Congress. The costs of the programme and notices as well as the catering expenses are being recovered from the International Permanent Meat Bureau.

Operating Profit Variance due to Sales



Rand Version Notes to Workings

Total sales in Rand	- Squaxi 9 900 x 4 =	39 600	Squaxi R119 600 x 4/14 =	34 171** ÷ 4 =	8 542*** x 1,4 =	11 958,80
	- Squixi 8 000 x 10 =	80 000	Squixi R119 600* x 10/14 =	85 429** ÷ 10 =	8 542*** x 2,8 =	23 917,60
		R119 600				R35 876,40

** In Budgeted Mix *** Unit sales in budgeted mix

2. Fixed Production Overhead Variance

Actual	R 990
Fixed budget	1 000
EXPENDITURE VARIANCE	R 10 (F)

Meat Board: offal
 21. Mr. P. A. MYBURGH asked the
 Minister of Agriculture and Fisheries:

- (1) (a) At what stage and (b) for what reasons did the sale of offal come under the control of the Meat Board;
- (2) whether there was an adjustment in the price of offal when the Meat Board took over control; if so, what was the price (a) before and (b) after the take-over?

The DEPUTY MINISTER OF AGRICULTURE AND FISHERIES:

(1) (a) 1 September 1950.

the estimated \$18,500 to be reached. Rounding errors answer would be to divide the of Exhibit A) by 2.690, ob- difference in savings that value.

342 are at the bottom of

The next step is to sketch the other relevant cash flows, as shown in Exhibit A. Either the total-project approach or the incremental approach results in the same \$9,423 net present value in favor of replacement. Note that the book value of the old machine is irrelevant, and so is completely ignored. In the light of subsequent events, nobody will deny that the original \$50,000 investment could have been avoided, with a little luck or foresight. But nothing can be done to alter the past. The next question is whether the company will nevertheless be better off by buying the new machine. Management would have been much happier had the \$50,000 never been spent in the first place, but the opportunity cost of the investment is not be com-

2. The f
 3. This i

(b) The Directorate of Meat Supplies was instituted as a war measure to ensure the even distribution of meat. At the dissolution of the Directorate its functions were transferred to the Meat Board.

(2) No.

(a) and (b) Fall away.

Situation	Present	New	Situation Increment
Sales (irrelevant)			
Expenses:			
Direct materials	\$10,000	\$ 9,000	\$ 1,000
Direct labor	20,000	10,000	10,000
Variable overhead	15,000	7,500	7,500
Fixed overhead (irrelevant)			
Selling and administrative expenses (irrelevant)			
Total relevant operating cash outflows	\$45,000	\$26,500	\$18,500

1. The first step is to analyze all relevant operating cash flows and align them with the appropriate alternative. This analysis follows:

Word Pr

5-2

TUESDAY, 11 AUGUST 1981

5.4. S

Indicates translated version.

A parti
by usin

For written reply:

How 2 Maize Board
11/8/81 CA 21-2-30-31 board
29. Mr. P. A. MYBURGH asked the
Minister of Agriculture and Fisheries:

eg.

Whether there have recently been any changes in the membership of the Maize Board; if so, (a) who are the new members, (b) which members were not re-appointed, (c) how many members are there on the board, (d) for what period do they serve, (e) what (i) remuneration and (ii) allowances do they receive and (f) in what way is each member connected with the maize industry?

A sea
docume
out.
blanks

(f) (1) Producers
Messrs. C. L. von Abo, J. H. Viljoen, C. J. Leonard, S. J. Schoeman, A. P. Visser, H. L. Delpport, A. Beyers, Dr. B. Stead.

(2) Millers
Mr. I. J. Rutowitz.

(3) Stock feed producers
Dr. S. J. P. Smit.

(4) Dealers
Mr. G. J. M. Scholtemeyer.

(5) Exporters
Mr. B. Kaplan.

(6) Consumers
Mr. R. H. Landman.

ant

the
ted
ins

5.5.

The MINISTER OF AGRICULTURE AND FISHERIES:

(DITTO or DIT)

Lines

Yes.

(a) Messrs. J. H. Viljoen, C. J. L. Leonard, A. Beyers, A. P. Visser, H. L. Delpport, Dr. B. Stead.

by using the DITTO command:

where
the r
The L

(b) Messrs. B. H. Wilkens, M. P. M. D. F. H. van der Hoven, H. D. A. van Zyl, J. J. Theron, L. B. Rothman, P. T. Steyn.

e duplicated (as for PRINT) and starting at i in increments of j.

eg.

(c) 13.

will o

(d) 1 July 1981 to 30 June 1984.

starting at 100 in increments of 5.

5.6.

(e) (i) Honorariums
Chairman R6 000 per year
Deputy Chairman R4 200 per year
Other Members R2 100 per year

E or M)

The MO

(ii) Travel and subsistence allowances
Chairman R59 per day
Deputy Chairman R50 per day
An entertainment allowance of R600 per year for the Chairman.

e DITTO.

will d
at i w

and move them to lines starting

eg.

will move lines 100 to 200 to lines starting at line 1 with increments of 2.

5.7. Assigning new line numbers (RESEQUENCE or RES)

After deleting, moving or duplicating lines the line numbers in the work area may no longer be in a uniform sequence. To reorganise the line numbers use the RESEQUENCE command:

->res i,j L

which will rearrange the line numbers of lines specified by L (leaving text unaffected), starting with a new line number i, in

Control boards blamed for rise in food prices

3 control boards August 13/8/81

Consumer Reporter

CONTROL boards are bound to encourage inefficiency and high prices because they save producers from having to compete, Professor Walter J Salmon of the Harvard Graduate School of Business Administration told The Argus.

Professor Salmon — described by a spokesman for the University of Cape Town as 'the world's leading expert on retailing' is conducting workshops and

seminars for top executives in major centres of South Africa.

Control boards were recently blamed by Mrs Joy Hurwitz, national president of the Housewives' League, and Mr Mike Palmer, director of operations for Checkers in the Eastern and Western Cape, for the huge rise in food prices in this country during the past year.

Professor Salmon said that some control boards existed in the United

States and it was found that 'generally speaking they were a disaster from the consumers' point of view.'

He explained that large producers were usually more efficient than small ones. But control boards tended to set prices to cover the costs of the least efficient producers.

This resulted in high profits for the efficient producers, who were therefore encouraged to produce more than the market required.

CONSUMER PAYS

This meant that the consumer had to pay a high price, often above the world price, for the product and also pay for the storage of the surplus or if export of a low

Professor Salmon said that, without the control boards, small farmers and producers might be forced out of business.

But this would not necessarily be a bad thing since production would then be entirely by the more efficient producers.

SMALL STORES

Discussing the future of retailing in this country, Professor Salmon said he expected the larger chains with their superior buying power, to squeeze most small shops and medium-price department stores out of existence.

But he thought department stores catering for the 'top end' of the market, and speciality shops such as shoe shops would flourish.

Professor Salmon said this was what had happened in the USA, where inflation had caused people to be more price-conscious and had 'polymorphous' character.

he is in a critical situation, and by its

the flea acts as the vector, transmitting infection, Yersinia pestis (previously fatal cases, notably when the rat mortality is form, although dangerous, the disease is unknown circumstances, however, usually c plague epidemic, it may assume a new form rectly from man to man by droplet infection. disease is much more virulent with a high n dying within twenty-four hours. A third ised form, septicaemic plague, may also emerge lemic, when patients survive only a few hours.

of the Third Pandemic

II

Curiously, the third and most recent pandemic starting in 1894, although it destroyed nearly 12 million people, has left no such mark on the Western mind. This may be principally attributable to the fact that it barely touched Europe, and Western historians, with their Eurocentric vision, have overlooked its impact. The French novelist, Camus, has been Other factors have lessened man's fear ics and insecticides have reduced its overshadowed by greater human tragedies in fruitful topic for the historian.

one of the of the dis danger, an the 20th c

even mo during Plague of the times of the empire centre in Ma notab in Ma ably the recr trig

COURT STOPS FARMER ALLAN FROM LAYING DOWN HIS OWN QUOTA SYSTEM

STOP THIS



Four major feed companies are accused of monopolistic stranglehold

CHICKENFEED CONSPIRACY

Last year's article . . . but Egg Board denies it is controlled

Too many eggs!

S. Tribune 16/8/81

3 courts boards

A PAARL egg farmer, Allan Stuart, has failed in his Supreme Court application for a temporary interdict to stop the Egg Control Board from forcing him to cut down drastically on his stock of hens laying table eggs.

By TONY SPENCER-SMITH

His application was refused with costs by Miss Justice Leonora van den Heever in written judgment this month, nearly two years after the proceedings were launched.

Mr Stuart is a director of Dundarach Poultry Farm (Pty) Ltd. The respondents in the application were the general manager of the Egg Control Board, the first respondent, the Minister of Agriculture, the Egg Control Board, itself, and the Attorney General of the Cape.

In papers before the court, Mr Stuart maintained that the farm would not be economically viable with fewer than 40 000 table egg-laying hens, yet his permit from the board only permitted him to keep about 16 000 table layers and 18 000 breeders, despite two appeals to the Minister of Agriculture.

In her judgment, Miss Justice van den Heever said Mr Stuart's contention in both appeals to the Minister was that to survive he required permission to keep "40 000 layers and 6 000 breeders."

"His next step was to launch the present application," said the judge. "He has, in fact, been keeping 40 000 layers (ie hens for the production of eggs for marketing) and been threatened with prosecution by inspectors and civil action by one of the major feed companies which has diversified into poultry farming."

"In his founding affidavit he alleges that the major feed companies, inter alia the Egg Control Board, the Egg Control Committee, the National Egg Producers' Co-operative intend taking over the whole poultry industry."

"He has seen a 'master plan' aimed at achieving this."

"The first respondent's decision relating to applicant's permit was invalid because:

- "He had no jurisdiction to fix the number of breeding hens applicant may keep.

- "The committee making the recommendation which he considered, was biased: The committee being controlled by interests intent on eliminating applicant from the industry."

"The permit in any event is meaningless, Stuart says, since applicant is unable to survive economically on the basis authorised."

She said that in a lengthy opposing affidavit, the General Manager of the Egg Control Board had denied that the board or the committee was controlled by the feed suppliers, or biased.

He had said the applicant commenced expanding his business only after other producers had been compelled to cut back egg

production, and he had disputed the contention that he was not empowered to limit the applicant as regards breeding hens.

"He sets out the extent of overproduction, and he had disputed the contention that he was not empowered to limit the applicant as regards breeding hens."

"He set out the extent of overproduction in various areas of the Republic; how this has been reduced; that the surpluses costs the consumer millions of rand annually, and why this is so."

Justice van den Heever said that in her view Mr Stuart had not established the requisites for the interdict he sought.

"What he is asking for here is far from clear."

"There is not and cannot be, a contention that the regulation, making the keeping of more than 1 999 laying hens for the production of eggs illegal, except under authority of a permit, invalid."

"An interdict would put the applicant beyond the law, at least temporarily."

"Nothing would then prevent his keeping 100 000 or a million laying hens for the production of eggs for the duration of the interim order, putting every other producer out of business, and nullifying not only Act 61 of 1970 but also the workings of the scheme, relating to the marketing of eggs, adopted under the Marketing Act."

"Applicant itself has not openly purported to qualify the interdict, by seeking leave from this court to keep '40 000 layers and 6 000 breeders' without thereby facing withdrawal of its permit or prosecution by the attorney-general."

"The reasons seem clear."

"Even should it be shown that the 'prescribed officer' who is the only person vested with the discretion to determine the content and conditions of any permit, has exercised that discretion incorrectly, this court could not arrogate unto itself the right to exercise that discretion on his behalf — certainly not in proceedings such as these, since a mass of background information which should properly be available and considered in deciding to what excess over 1 999 laying hens for the production of eggs is permissible in each instance, is not before the court."

"Applicant's correct course would have been, not to attempt to avoid prosecution for exceeding the limits of his permit but try as soon as may be to obtain a rectification of his permit, if convinced such rectification were obtainable," said the judge.

Stanford, May

At the time chased by two these systems of computers of be available that five set up as a Mini-computer activities at the existing equipment of input to these investigations should contact the Department of Computing Service.

governed to a large extent by cost of the choice of which of the text processing software:

is that the particularly editing for handling. The d editing for which may be intended to create and index, etc.). locally designed

relatively low term due to a 'draft' printer suitable for some (which produced to a queue for of three high word processors. of R1200 per is and equipment ent. There is and the level of of bottlenecks located at the easily utilized the preceding AC, and each one present there are

20 000 for a system were to be

University 1980.

Reference: [1] Committee

We can turn now to the current of writing, different departments. A close watch perform. The Computing Service envisaged pilot study for word processing on terminals out of the next word processing work sub-committee is investigating initial projects in the printer administration. the central administration. Investigations should contact the Department of Computing Service.

first place. result? Unfortunately given a certain amount of large extent by cost of the choice of which of the text processing software:

However it is expedient (justification) approach is not ideal as investigate text format: asynchronous terminals. greatest problem at present convenient to use as it existing text handling with the fourth problem with speed printer is used.

software problem which (approx. R4000). This price (approx. R1500), while word processing work state this issue of @DEBUG). duo case printing or to speed line printers which At present these terminals terminal this is far n will have to be purchased only one solution to the convenience for word processing can be overcome user's work place, the te already for about 22 weeks discussions? For four re of these can be used: approximately 50 video-d. The last option is use o

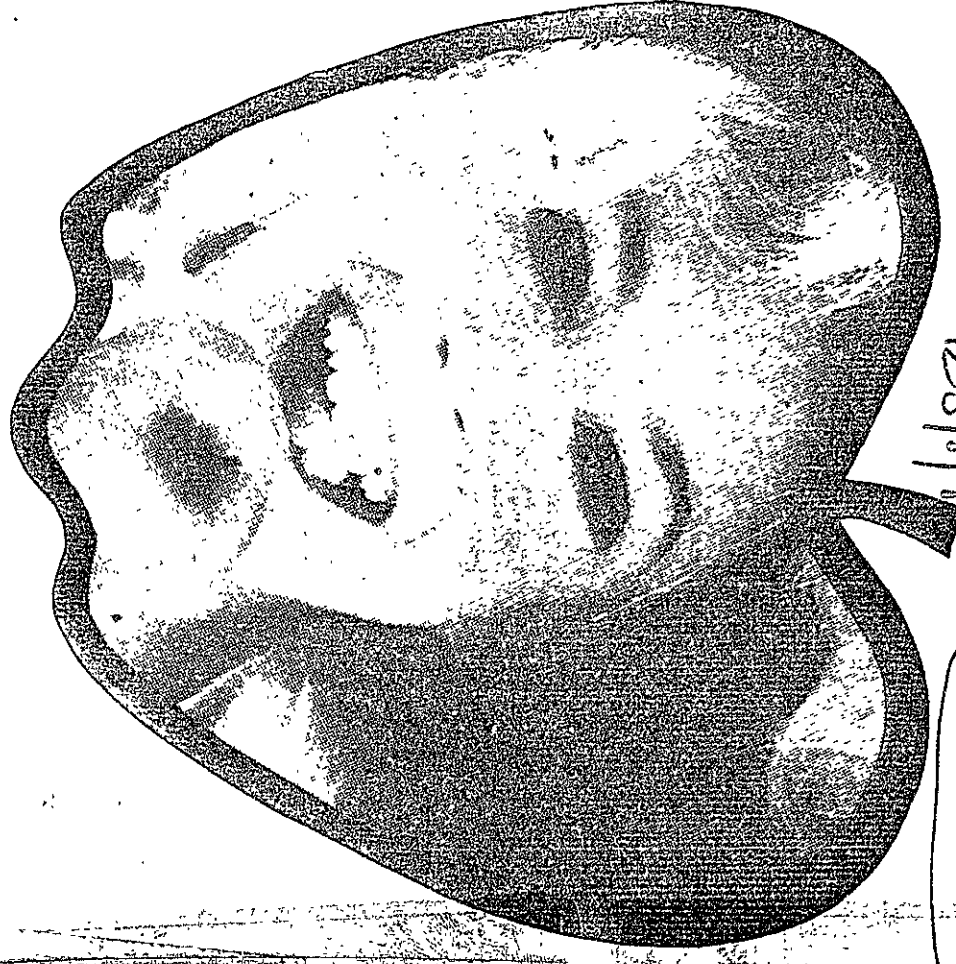
reduced to approximately expanded to 80 work state pilot project consist recent quote gives a cost

@DEBUG page 12

TODAY: The control boards which bring in the foreign exchange...

Control boards

*S. Tubanus
23/8/81*



TOP OF THE CLASS

IT'S eccentricate the positive this week by concentrating on those control boards whose main function is to export our products to bring in foreign exchange.

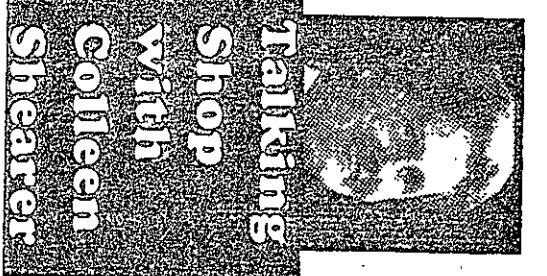
These boards are top of the class economically and include the Citrus Exchange, and Deciduous Fruit, Dried Fruit, Mohair and SA Wool Boards.

It is a pity that the Karakul Board cannot be included but that is one of four which has not replied to my letter, the others being the Chicory, Cotton and Tobacco boards. But 19 replies out of 23 was good.

When one considers the combined costs of the 23 boards — the latest estimate was R28 million a year — it is a drop in the ocean compared with what the five export-oriented boards bring in — just under R700 million.

What is the secret of their success? I believe, apart from having something that is keenly wanted, they have had to develop even keener marketing skills and expertise to compete with other exporting countries on world markets.

It's competition that enhances performance and we can be proud of the moment.



Another point is that all applies for sale must display the class, cultivated and price.

Merchandisers from the board regularly visit all outlets and check numbers of apples in Thriftshops as well as general conditions in green groceries. In this way they give the annual Apple Merchandising Award of R100 to the winning store. The total prize this year was jointly won by Durban North Delicatessen and Pool's of Fernhills.

The board also handles some other fruits but this is less than two percent of the peaches, less than 50 percent of the plums and less than 25 percent of the grapes sold locally. It does not market directly itself, nor does it control prices — this is left entirely to free enterprise.

The local function is rather the promotion of apples and pears, and the educating of retailers about correct marketing and fair profit margins.

In addition the board is concerned with the economic and without a doubt farming has become a scientific enterprise with an increasing number of farmers being graduates of universities or colleges.

The Dried Fruit Board has nine members,

five being producers. Total administration costs for 1980 were R159 774 out of R45 million realised through sales. Exports totalled 18 500 tons which brought in R24 million.

The price of dried fruit is not controlled by the board at any stage other than advance prices paid to producers. Local retail pricing and distribution are by private enterprise.

However the board has created a stabilisation fund for producers to cushion effects of slumps in prices. This is a fairly common practice.

The chief aim of the board is to promote orderly marketing, to the benefit of producer and consumer alike and it also plays an active role in advertising, with the theme being health and nutrition.

The Mohair Board has four members, all producers, and no honorary members. A large majority of producers are voley democratically for a board and marketing scheme, undertaking to pay all administration costs themselves, no consumer taxes or any other way.

And as 95 percent of all mohair is exported, even levies do not affect us.

The board appoints staff to execute decisions and run the administration and

their main function is to budget for the promotion of mohair and to study world trends regarding production and price.

In this way consumers are catered for because the processors can raise with producers as regards these same trends. This budget is financed by producers and the secondary industries.

Finally the SA Wool Board who wrote most cordially, agreeing that consumers should be concerned about rising prices of all goods and services, and also be aware of the activities of control boards and how their functions differ.

About 85 percent of the South African wool clip is exported and we have to compete with the other major exporters — Australia, Argentina, New Zealand and Uruguay — to buyers mainly in the northern hemisphere. As such, wool is an international commodity and the price is set by numerous buyers and sellers, and a healthy situation applies.

Competition comes from substitutes to wool like cotton and a host of man-made fibres.

When the wool market is depressed, the boards in South Africa, New Zealand and Australia buy wool from auctions and release it when prices rise. This option is provided both the wool and the wool.

Of the 12 board members, nine are farmers. Administration costs totalled R1 393 million plus R2 128 spent on local technical services and promotions, and these costs totalled R1 393 million plus R2 128 spent on local technical services and promotions, and these two amounts together represent 17 percent of the total clip. Export earnings for the past year reached R177 million.

MARKET FOR THE...
Market, D. J. Williams
of the Durban Municipal
two boards are firmly
endorsed by the Director
Any claims by the above
Vitamin C requirements
percent of our daily
grams) can provide 44
one large potato (150
that of tomatoes, in fact
articles this even exceeds
Vitamin C. In some
are an important source of
about potatoes that they
An interesting point
dispute control.

An interesting point
dispute control.
turning of a seed unit and
marketing, as well as the
production, processing and
improving quality.
research also includes
functions also include
the 1980 period. Its
0.06 cents a kilogram for
operation worked out to
The board's cost of
moment.

The board's cost of
moment.
we are finding at the
allowed, all healthily as
in season are certainly
for producers, but prices
stabilise prices, especially
In effect this system
please note.

In effect this system
please note.
rural areas, Egg Board,
undersupplied areas —
and delivers these to
surpluses from markets
The board removes
Board feature in all this?
Where does the Potato
to that aspect next.

Where does the Potato
to that aspect next.
markets and we will come
time. The only control on
stores in rural areas at any
inspectors can call on
regulations still apply and
privately but the above
Farmers may sell
inspectors.

Inspectors.
graded by the department
the potatoes are then
the Department of
regulations laid down by
and packed according to
markets, already sorted
supplies to fresh produce
Normally they send
wherever they wish.
farmers being free to sell
supply and demand with
and prices are subject to
tree enterprise operates
again

again
Mark.
Potatoes — again
tree enterprise operates
and prices are subject to
supply and demand with
farmers being free to sell
wherever they wish.
Normally they send
supplies to fresh produce
markets, already sorted
and packed according to
regulations laid down by
the Department of
the potatoes are then
graded by the department
inspectors.

Inspectors.
graded by the department
the potatoes are then
the Department of
regulations laid down by
and packed according to
markets, already sorted
supplies to fresh produce
Normally they send
wherever they wish.
farmers being free to sell
supply and demand with
and prices are subject to
tree enterprise operates
again

again
Mark.
Potatoes — again
tree enterprise operates
and prices are subject to
supply and demand with
farmers being free to sell
wherever they wish.
Normally they send
supplies to fresh produce
markets, already sorted
and packed according to
regulations laid down by
the Department of
the potatoes are then
graded by the department
inspectors.

Board's quota

Star 28/8/87

system keeps meat prices high

Own Correspondent

DURBAN — In a drastic move to prevent a collapse of the beef market the Meat Control Board has cut supplies to the abattoirs by introducing a quota system while buying in hundreds of carcasses to keep prices high.

This situation is so critical that the quotas have been cut by 200 head of cattle a day at Natal's Cato Ridge for the next week to 640 in a bid to dispose of the beef held by the board in cold storage.

The situation is blamed on consumer resistance, and while abattoir prices have dropped 25 percent in the past few weeks, little or any of this has been passed on to the housewife.

Before the new Cato Ridge abattoir was built, about 10 years ago, Dur-

ban demand alone was 850 head of cattle while Pietermaritzburg's demand was between 150 and 200, and earlier this year the new abattoir was slaughtering about 1 000 a day.

SOURCE

"Farmers were receiving around R2,60 a kg for carcasses only a few weeks ago and this has dropped to between R2 and R2,12 at the best — a drop of 25 percent — which is a loss of about R100 to the farmer on a 250-kg carcass. Farmers just cannot afford this type of loss," a well-informed source said.

A spokesman for the Housewives' League, Mrs Marcia Watkins, said the consumer resistance to beef was not being done consciously but simply because they could not afford the high prices.

A Star Investigation

Food Control Boards



An investigation by

David Breier, Caroline Braun

and Hannes Ferguson.

Sp 25/8/81

How

From wheat boards

South Africa's agricultural boards have been subject to Government control since they were formed in the 1930s. But critics now feel that the Government has gone too far in playing big brother to the boards.

The last straw for many came in 1977 when the Marketing Act was amended to give the Minister of Agriculture final say over board decisions.

The most important issue at stake is Ministerial veto on price increases.

Recommendations for price increases start at producer level where suggestions are made to the control boards, themselves dominated by producers (farmers).

Two members of the National Marketing Council (NMC), which is Government-appointed attend all board meetings.

The boards, the Department of Agriculture and the NMC then make independent recommendations to the Minister who also receives minority reports.

In the case of maize, wheat and dairy products, proposed price increases go to the Cabinet for final approval.

The National Maize Producers' Organisation (Nampo), for one, is bitterly opposed to this setup and to the new powers assumed by the Government in 1977.

A Nampo spokesman said all its arguments for price increases "disappeared into the mouth of the NMC."

Farmers had no way of knowing what the NMC's comments to the Minister were, and farmers therefore had no right of reply.

"For all the Maize Board knows, its arguments could have been just thrown into the wastepaper basket and purely political considerations might have been the only price determinant," a Nampo spokesman said of this year's price fixing which caused bitter farmer dissatisfaction.

The Nampo spokesman said the Minister was tempted by the 1977 Act to behave in a high-handed manner and to disregard the democratic process.



The Minister of Agriculture, Mr Pietie du Plessis.

The Minister of Agriculture, Mr Pietie du Plessis, said the 1977 Act enabled the Minister to act in the event of a stalemate.

Under the old Act, the previous year's price remained in force if there was no agreement on a new price, he said.

Mr du Plessis said he believed the principle of negotiation had not changed. He tried for maximum consensus on new prices.

Government control was protection for the free enterprise system, he added.

There was always a majority of producers on the boards. Without Government control, the producers' recommendations would always triumph.

The Minister of Agriculture was in effect, Minister of food supply in South Africa as well as Botswana, Lesotho and Swaziland, he said.

The 72 000 producers and the 27-million consumers were inter-dependent.

The Minister had to ensure farming remained profitable at a cost the consumers could afford.

"I look at the broad national interest — consumers, producers and the national economy — before deciding on a new price.

"I have to take into account surpluses, availability, overseas markets and production incentives," he said.

Not everyone in the agricultural sector and on the producers' side resents the Minister.

Mr Larry Heystek, assistant general manager of the Meat Board, said price procedures had remained much the same after the 1977 Act.

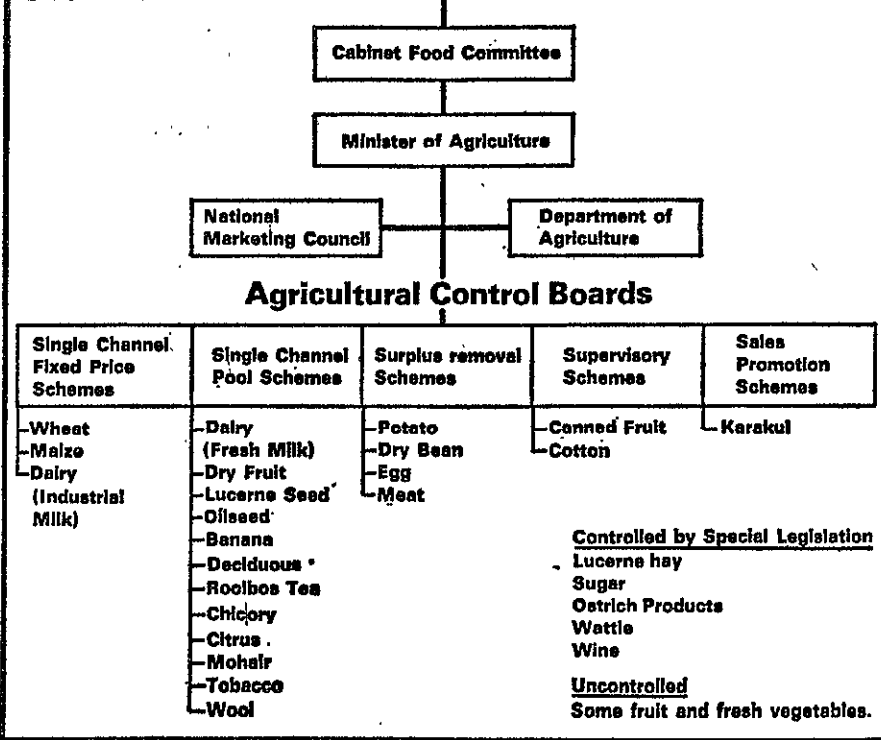
The Minister had been willing to discuss the board's floor prices adequately.

Shortly after Mr Heystek said this, a 46 percent increase in the floor price of beef was approved.

"If I feel the board's recommended price is too low, I can tell the board to amend it. If I don't agree with their recommendations, I can tell them to reconsider it.

To Page 21

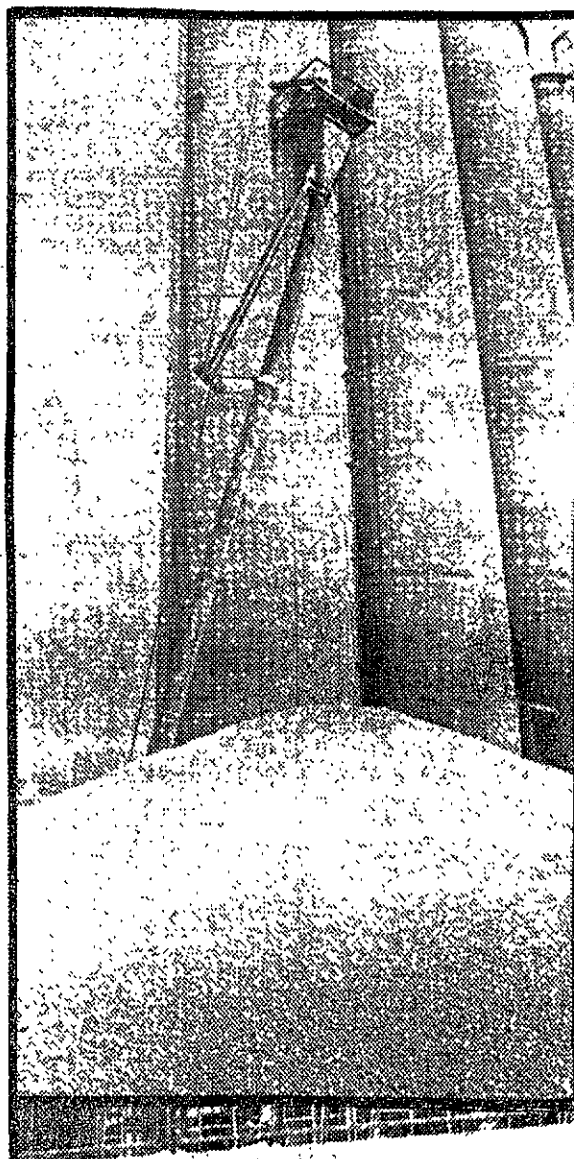
THE CONTROL BOARD SYSTEM



South Africa's 21 agricultural control boards can be divided into five categories, while the Dairy Board falls into two types. Each board is responsible to the Minister while the Department of Agriculture and the National Marketing Council advise the Minister.

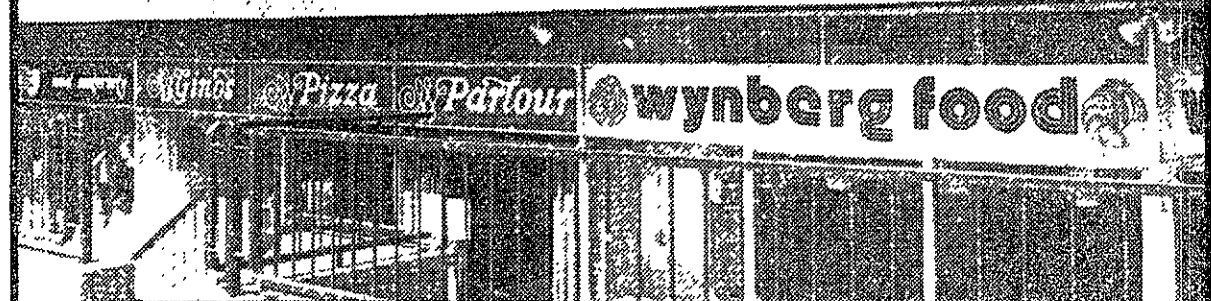
Part I of a five-part series

field to table



What happens to food prices from between the wheat field and the table? Recommendations for price increases start at producer level where suggestions are made to control boards, themselves dominated by producers (farmers). In the case of maize, wheat and dairy products, proposed price increases go to the Cabinet for final approval.

Has 'Big Brother' gone too far?



From Page 20

As the actual selling price of meat is substantially above the floor price, the Minister can afford to be "Nice" to the Meat Board, agriculturalists say.

The Dairy Board, which has enjoyed recent price increases, also has no complaints against the Minister.

Mr D F de Villiers, assistant general manager of the Wheat Board, said the board had found it possible to have wide-ranging discussions with the Minister.

Although the Marketing Act had been changed in 1977 to give the Minister more powers, there had been no lack of discussion with the Minister, Mr de Villiers said.

A case in point of how the Minister of Agriculture has retained a stranglehold on the boards is the abortive movement to emulate the Citrus Board.

The citrus industry is one that effectively "got away" from the Minister.

The Citrus Exchange was formed in the 1920s before the boards were created. The Citrus Board was merely created to give the Citrus Exchange statutory powers.

The Citrus Board has no staff of its own, and the Citrus Exchange which is a co-operative organisation, acts as secretaries for the board. This gives the citrus industry a degree of independence.

The tobacco farmers proposed the same setup some time ago, suggesting that Sentabak carry out the same functions for tobacco as the Citrus Exchange did for citrus.

But Mr Dirk Uys, then Minister of Agriculture, vetoed this proposal as it would have deprived him of power over the board.

Similarly Mr Hendrik Schoeman, a later Minister of Agriculture, vetoed a similar proposal for the banana industry.

Mr Inus van Rooyen, organising secretary of the SA Agricultural Union, said the Citrus Board was the ideal arrangement.

Co-operatives could not take over the functions of the boards, but should do the marketing, he said.

Mrs Joy Hurwitz, national president of the Housewives' League, launched a strong attack on Government control.

"We have more State intervention in the production and marketing of agricultural foods than in any other sector of the economy," she said.

● TOMORROW: The meat trade and the motives behind the formation of control boards.

The Star Tuesday August 25 1981

21

...the complexities of the board system are often criticised.

Boards differ vastly in their functions, ranging from the Maize Board type which exercises strict controls, to the Karakul Board which simply promotes sales.

Control boards can be divided into five types:

● Single channel fixed price schemes. This applies to wheat, maize and the butter and cheese (gouda andeddar) functions of the Dairy Board.

Under these schemes, producers are compelled to sell all

their produce directly to the boards.

The boards set producer prices as well as local selling prices, but these are subject to approval by the Minister of Agriculture.

● Single channel pool schemes. These include fresh milk, citrus, banana and wool, and operate on the "voorskot", and "agterskot" system.

Producers may sell their primary products directly to or through the relevant boards.

An initial payment or "voorskot" is paid to the producers, and all the produce is pooled.

Later payments known as the "middel-skot" and "agterskot" are paid to the producer as sales are finalised.

In most of these schemes, the control boards set domestic selling prices subject to the Ministerial control.

In special cases such as fresh milk, maximum consumer selling prices are set as well.

● Surplus removal schemes notably those controlling eggs, meat and potatoes.

The producers sell these commodities on the open market, but the relevant boards

support prices where necessary.

This is done by either announcing prices at which the boards are prepared to buy, or by the boards actually stepping in and buying produce when prices drop too low.

Most of the produce bought by the boards to support prices can be exported or stored for later domestic sales.

● Supervisory schemes. Only cotton and canned fruit are included in this type.

These schemes are aimed largely at order-

ly marketing and a limited degree of price protection for the farmer.

Minimum producer prices are set and in the case of canned fruit, producers may only sell their products to canners in terms of a written agreement.

● Sales promotion schemes of which there is only one — the Karakul Board.

The sole function of this board is to stimulate demand for the product.

The agricultural board control system was developed in the British Commonwealth in the 1930s to help

stabilise conditions for farmers ravaged by the Depression.

By their nature, boards are farmer-oriented and all have a majority of farmers.

Consumer and farming spokesmen as well as businessmen agreed that the idea behind the control board system was sound and that boards were essential for stable agriculture in South Africa.

But they have strong reservations about the effectiveness of some of the boards.

The Star will pinpoint some of these flaws in forthcoming articles.

control boards work?

An investigation by

David Breier, Caroline Bagan
 Skov 26/8/58
 and Hannes Ferguson.
 Control boards



Middleman gets the blame

reasonable and realistic price."

When food prices rise, farmers and consumers lay much of the blame at the door of that mysterious villain — the middleman.

The middleman accounted for most of the massive food price increase of 29.5 percent last year.

According to SA Agricultural Union statistics, 17.8 percent of this amount was due to cost increases in processing, distribution, packaging and marketing — all attributable to the middleman, which includes merchants, distributors and industrialists.

Only 11.7 percent of the amount was due to increased costs for the farmer.

Critics who complain of too much Government control and who advocate free enterprise, forget that the middleman is an integral part of the system they favour.

Mrs Joy Hurwitz, National President of the Housewives' League, said: "In many instances, the farmer gets a low price and the consumer pays a high price."

"There is an unsatisfactory area in between which needs to be investigated. This is the area in which costs can be cut to ensure basic foods get from farmer to consumer at the most

One of the main functions of the control boards in terms of the Marketing Act is to "narrow the gap between producer and consumer price by rationalisation."

This is aimed at improving the efficiency of marketing, processing and distributing products to the benefit of both the producer and the consumer.

The Minister of Agriculture, Mr. Pietie du Plessis, said it was very difficult to set a profit margin for individual middlemen.

But he added that the free enterprise system of competition between middlemen kept their profit margins down.

In the case of wheat, the profit margins of all the middlemen, including millers and bakers, were strictly controlled.

Mr du Plessis said that the basic end-product of wheat was bread, which had to be controlled.

In the case of maize, only the price of the primary product was controlled. Maize meal used to be controlled but because of the diversity of end products, it became more difficult to control the middleman's profits, and the practice was stopped.

Mrs Joy Hurwitz, national president of the Housewives' League, feels consumers should have greater representation on the control boards.

trolled products such as fruit and vegetables. Here distributors made profits of up to 200 percent and the farmers' profits declined sharply compared to other commodities.

In the case of meat, Mr du Plessis said meat agents acted independently. Competition was rife and this kept profit margins down as farmers could choose their own agents on the basis of which agent offered the best deal.

One of the most con-



Mrs Joy Hurwitz, national president of the Housewives' League, feels consumers should have greater representation on the control boards.

This is how the consumer rand on meat is carved up. The farmer obtains the largest share because his expenses are the highest. Farming operations include feedlots which fatten cattle for slaughter.

PART 2 of a five-part series

the blame

Continued from Page 20.

Mrs Hurwitz said there was a danger at control board level that if board members had a variety of interests such as grain, chicken and eggs, these interests could conflict.

The larger producers might then apply the system to best suit these divergent interests and the smaller producer would be left without any say.

Mr Larry Heystek, assistant general manager of the Wheat Board, said that although butchers were required to register with the board, their profit margins were not pegged.

Sometimes butchers operated on the basis of fixed prices to the detriment of the consumer, he said.

But such collusion seldom lasted very long, he added.

It has been estimated that about two percent of the consumer rand on meat could be saved if the Meat Board took over the function of the abattoir agents.

The Meat Board, farmers say, could also shunt retailers to buy directly from the abattoir instead of relying on wholesalers. This could be done by the board hiring specialised meat trucks to retailers.

At present the price of these trucks is pro-

hibitive and only wholesalers can afford them.

A spokesman for the National Maize Producers Association said that millers were in a position to fleece the consumer as the price of maize meal was not controlled. This was not the board's fault, he said.

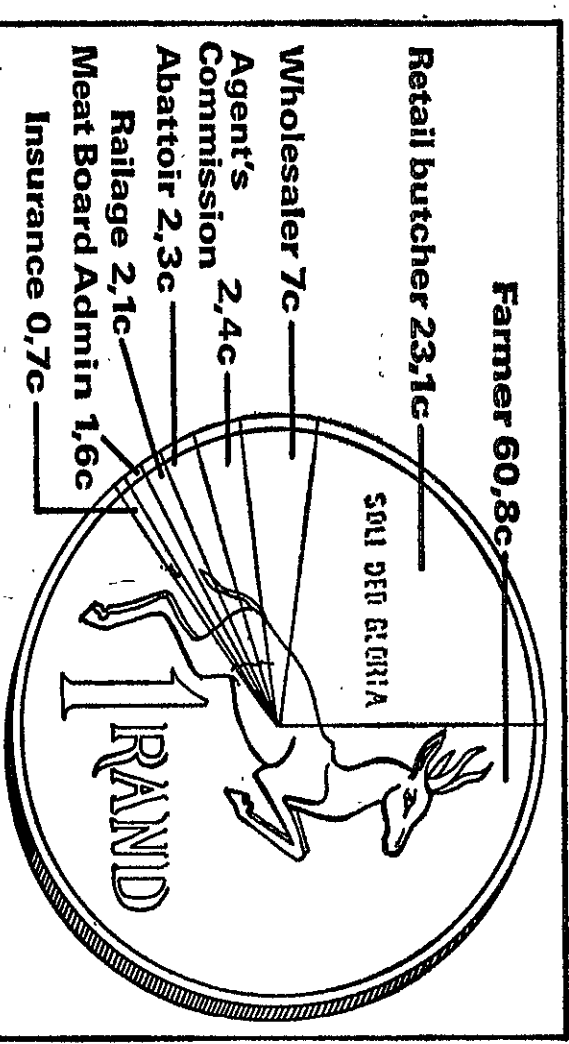
Mr B J Willemse, an economist with the SA Agricultural Union, said that in any system in which the consumer price was not pegged, the consumer could be fleeced if competition was not effective.

Any monopolies that may arise were a matter for the Competition Board, he added.

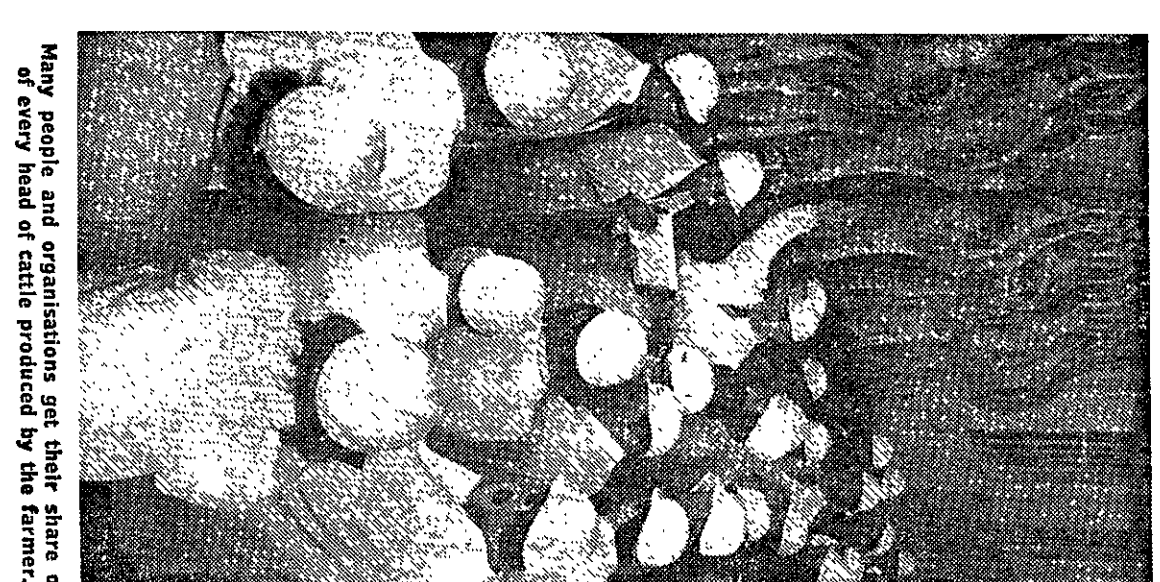
Mr D F de Villiers, assistant general manager of the Wheat Board, said that as wheat and flour prices were rigidly controlled, there was no chance for any middleman to fleece the consumer.

Without such control there would have been all-powerful monopolies, he said.

Dr J H Grey, vice chairman of the Dairy Board, said that in uncontrolled areas, producer prices were lower and consumer prices higher than in controlled areas, which are the major urban



Monopoly — a control board game?

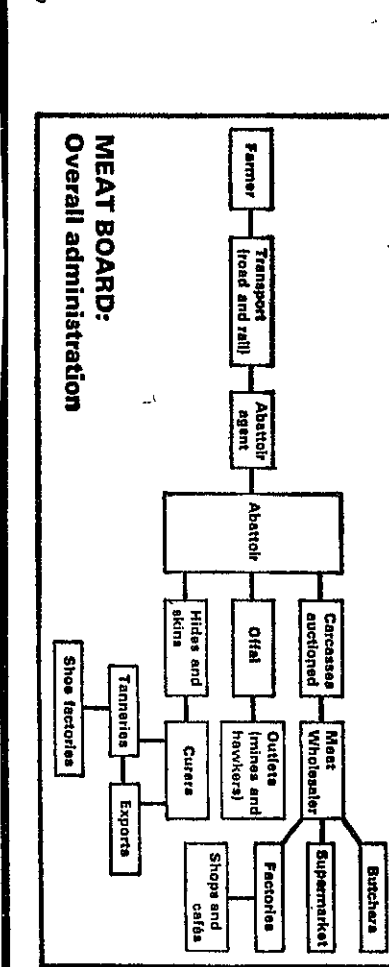


Many people and organisations get their share out of every head of cattle produced by the farmer.

Monopoly may have become a South African board game in a double sense.

It has long been a popular board game played on rainy afternoons. But critics of the South African agricultural control boards also say that monopolies thrive in the control board system.

One of the strongest



monopolies, the Competition Board, has found no evidence of such a cartel.

The commission of inquiry into red meat was told that the "big three" meat companies — Vleissentraal, Imperial Cold Storage and Kanhyim-General Mining — control 80 percent of the meat industry.

Mr Rupert Lorimer, former Opposition spokesman for agriculture and consumer affairs, said the big three had a stranglehold in the meat trade which threatened the free market system.

Their monopoly was based on meat wholesaling operations which had made it practically impossible for an independent butcher to bid for meat at abattoir auctions.

Mr Lorimer said the Meat Board played into the hands of the big three.

The big three could refrain from buying carcasses, forcing the Meat Board to buy them. The Meat Board then sold these carcasses to large buyers at generally lower prices.

Five of the 15 members of the Meat Board are from Vleissentraal, which differs from the others in that it is a farmers' co-operative.

Mr Larry Heystek, assistant general manager of the Meat Board, said in an interview that the big interests in the meat industry had reached their position through the existence of free enterprise.

Mrs Betty Hirzel, chairman of the Consumer Union, said she was not in favour of farmers' co-operatives taking over the role of control boards as they could also build themselves into monopolies.

Government policy kept producer prices lower than they should be, said Mr B J Willemse, SA Agricultural Union economist.

This was to the detriment of the small farmer because in many cases profitability depended on the economics of scale.

TOMORROW: Production methods and the reason for price gluts.



An investigation by
David Breier, Caroline Braun
 and **Hannes Ferguson.**

Call for boards and retailers to work together

South boards

pressed avocado pear growers, that they have asked the Citrus Exchange to market their product as well.

Other boards have leapt to their own defence.

Mr Larry Heystek, assistant general manager of the Meat Board, said the board employed one of South Africa's top agricultural economists, Mr Freek Tomlinson, as an assistant general manager.

Dr J H Grey, vice chairman of the Dairy Board, said the board employed an economist and a cost accountant and many marketing problems were solved by the dairy industry institute at Irene.

● Tomorrow: Surpluses, the cause of anger.

role in the marketing sphere," she said.

The Minister of Agriculture, Mr Pietie du Plessis, said Mr Ackerman's statement was a sweeping one.

Mr du Plessis said that in many cases the boards were not marketers, and this function was carried out by the co-operatives and by private enterprise.

He said he would welcome free enterprise coming forward to help in the marketing and promotion of produce.

Mr Johan Willemse, the SA Agricultural Union economist, said the Marketing Act system was sound in principle, but the marketing know-how of some boards could be improved upon.

One of the most commercially-oriented and successful schemes is said to be the citrus industry.

The Citrus Board itself barely exists and acts as the statutory arm of the SA Co-operative Citrus Exchange which competes in the marketing field overseas against all-comers with its famous Outspan campaign.

The success of the citrus scheme so im-

South Africa's food gluts, shortages and escalating prices are often attributed to the dearth of business and marketing techniques in agricultural control board administration.

One of the most outspoken critics is Mr Raymond Ackerman, managing director of Pick 'n Pay.

"Many of the control boards do not show a professional business approach. They implement price increases when there should be price reductions.

"Control boards would benefit by having retailers and other professional businessmen as members to help improve business and marketing techniques," he said.

He added he had

Control Board	Total members	Producers	Consumers	Merchants	Processors	Other (millers, distributors etc)
Maize	13	8	1	1	1	2
Wheat	13	8	1	1	1	2
Meat	13	8	1	2	1	1
Dairy	13	8	1	2	2	0
Olive/olive	13	8	1	1	1	2
Citrus	12	8	1	1	1	1
Potato	8	8	1	0	0	0
Eggs	8	8	1	0	0	0
Dried/fruit	8	8	0	0	0	0
Banana	7	8	0	2	0	0
Dried/bean	8	4	0	2	0	0
Canned fruit	11	7	0	0	0	4
Wool	12	8	0	1	1	2
Karakul	5	3	0	0	0	2

The member composition of the main control boards.

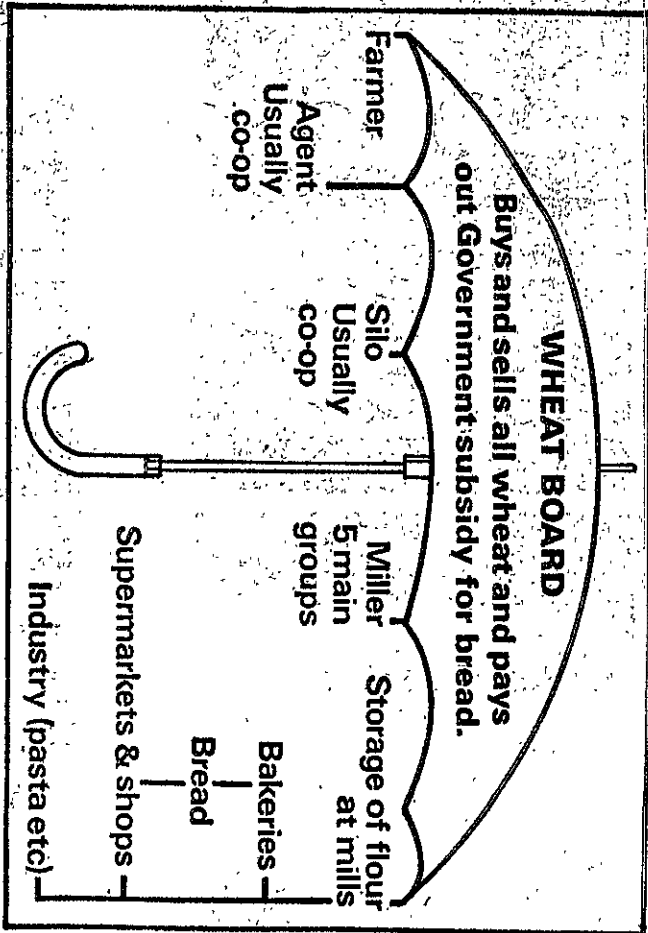
offered his time and services free of charge, but had met with a negative response.

"We should link arms and not be in different camps.

Mr Ackerman stressed that although control boards had an important function to protect farmers, they should not overlook the consumers.

Mrs Joy Hurwitz, national president of the Housewives' League, said there was a great deal of dissatisfaction regarding the business operations of some of the boards.

It seems the answer does not lie so much in the elimination of the boards, but in a new approach to their



The Wheat Board is an example of a single-channel fixed price marketing scheme which exerts strict price controls. The Government subsidy on bread suppresses price increases. Earlier this year the Government refused to increase the subsidy and prices rose by 33 percent for white bread and 40 percent for brown. In order to keep the price constant, the Government would have had to increase its yearly subsidy from R162-million to R233-million.



Mr. Raymond Ackerman, managing director of Pick 'n Pay, says many boards show a lack of business and marketing skills.

Part
 three
 of a
 five-part
 series

Do controls push up prices?

Gluts: the cause of consumer anger



3 control boards
 An investigation by
David Breier, Caroline Braun and Hannes Ferguson.

Part four of a five-part series

For many consumers the most infuriating thing about agricultural control boards is that they export surpluses at a loss instead of letting local consumers benefit from a lower price.

Mrs Joy Hurwitz, national president of the Housewives League, said boards seemed to specialise in glut.

"Consumers resent valuable produce being exported when they are subsidising it and having to pay a higher price locally than the housewives in the countries to which the goods are exported," she said.

Mr Raymond Ackerman, managing director of Pick'n Pay, believes that dropping prices is an excellent way of clearing surpluses.

Mr Hurwitz said the best way to reduce surpluses was to drop local prices to stimulate domestic consumption.

fixed well below export prices.

In this way the farmer subsidised the local consumer, he said. In years when exports have been made at a loss, local prices were kept at a "reasonable level" to promote stability, whether there were surpluses or shortages, he added.

Mr du Plessis said the economic and strategic factors in the export of agricultural produce were very important to South Africa.

Food exports were an important earner of foreign currency, he said. During the first five months of this year, agricultural exports amounted to R648.6-million out of total exports of R7178.6-million. One third of South African agricultural produce is exported. Agricultural imports amounted to R259.8-million out of a total of R7022.8-million in imports.



Mrs Betty Hitzel, chairwoman of the Consumer Union, and the sole consumer representative on the Dairy Control Board.

Mr du Plessis said agriculture was the largest employer and provided a stimulus to the economy as a whole including industry.

Mr du Plessis was also asked to comment on the way in which boards advertise basic foodstuffs in an effort to boost consumption locally.

Many South Africans will recall catchy slogans such as "the unbeatable eatable egg," "milk, magnificent milk," and "dis-moskos." The Dairy Board sponsorship of the rugby by Springboks still ripples with consumers.

Rev 28/8/81

Pie in the sky — that's what food has become with the rocketing price increases over the past year.

The annual inflation rate for food topped the 30 percent mark several months ago, and although it has dropped slightly recently, it is bound to climb above 30 percent again once the maize, dairy products and other food prices are taken into account.

And as food prices rise, the blame gets flung in all directions — the farmer, control boards, the middlemen. Some consumers advocate less Government control and more free enterprise. Others feel price controls should be placed on all goods sold to the public.

How do the price increases of foods which are Government controlled or fall under agricultural control boards compare with the price increases of foods which are purely marketed by free enterprise?

Regular price surveys and a study of the monthly Consumer Price Index issued by the Department of Statistics show that controlled products rise more slowly and steadily than non-controlled products. The prices of the latter tend to fluctuate depending on supply and demand.

The CPI chart from December 1980 to May 1981 illustrates how grain products (controlled) edged up in price slowly but regularly from 1985 to 1984. (The CPI base is 100=1975.) Dairy products and eggs (also controlled) followed the same pattern, moving from 174.7 in December to 179.5 in May.

1972 in January and 233.1 in February. It then dropped sharply to 201.9 in March, dropped again to 198.6 in April, and then fell to 190.4 in May.

Vegetable prices seen in a similar fashion. Meat, controlled by the Meat Board, is sold by public auction. Although subject to supply and demand, the price cannot fall more than six percent below the support price, which is based on the average price realised the previous week.

The producer is guaranteed a minimum floor price, paid by the Meat Board if the carcasses are not sold. The CPI chart shows that apart from a slight drop in March, the meat price has risen steadily since last December.

A good example to illustrate price fluctuations in a non-controlled product is poultry.

Last year's "chicken war" had prices seen in a non-controlled product saving from R2.50 a kg to R1.20. The price seems to have now finally stabilised about R2.

It is clear that last year's massive 30 percent food inflation rate was mainly caused by the steep increases in meat and vegetable prices. Meat went up 57 percent and vegetables 28 percent, and these two commodities together form 50.5 percent of the food price index.

Agricultural Union, said in an up-phase of the economy, controlled product prices went up more slowly than non-controlled products, and the converse was true in a down-swing of the economy.

"In a low-phase, production costs are usually high because fuel and fertiliser cost more, and controlled prices rise sharply to compensate the farmer for his high production costs. During this time, non-controlled products do not increase much in price because demand is low.

"In an up-swing of the economy, however, demand is high, so the non-controlled products increase sharply in price. Controlled product prices tend to remain more stable.

"Last year, in the economy upswing, non-controlled products increased between 20 percent and 50 percent, while controlled products went up between 12 percent and 15 percent," Mr Willense said.

He added that products on which production and price were not controlled were often "out of tune" with the economy.

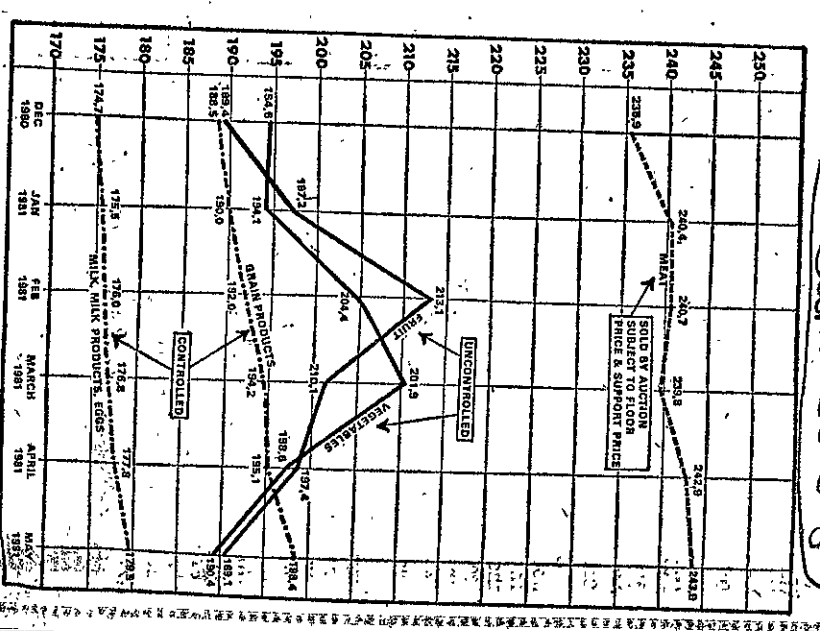
"In lean years, when prices are low, farmers tend to cut back on production. In boom years, then, when demand is in creases, farmers have insufficient supplies to meet the demand," he said.

"Control boards keep prices of controlled products stable, and are able to keep production in line with demand.

"By raising producer prices or by keeping them constant, the boards can stimulate or deter production," Mr Willense said.

Monday: Agricultural control is good for the farmer and unfair to the consumer, a visiting United States business professor believes.

This graph of the consumer price index over six months illustrates how prices of controlled products rise steadily while uncontrolled products fluctuate according to season and supply-and-demand.



3 control boards

This move is obviously aimed at correcting the surplus situation in which 14.2-million tons of maize was produced this year, creating a surplus of 7.7-million.

A spokesman for the Maize Board said the export loss was not yet known as this would depend on overseas prices, but it has been estimated at R250-million of which the Government will subsidise R14-million.

Mr Johan Willems, agricultural economist at the SA Agricultural Union, said: "Control boards are able to control the production of certain products, like butter and maize, by not increasing the producer price, thereby deterring farmers from producing.

"On the other hand production can be stimulated by increasing prices, thereby encouraging the farmer to produce more.

Some agriculturalists believe that the control boards stimulate productivity and efficiency.

Mr W J Treurnicht, deputy director general of the Department of Agriculture, said that if farmers were guaranteed a market, they could plan their production more efficiently. Ad hoc production was inefficient, he added.

The Minister of Agriculture, Mr Pietie du Plessis, said: "We try to keep prices as stable as possible and stop undesirable fluctuations."

A spokesman for the National Maize Producers Organisation, said a stable price led to specialisation, mechanisation, lower costs and higher productivity.

Dr J H Grey, vice-chairman of the Dairy Board, said that control led to high productivity, because a stable price enabled producers to invest in expensive capital goods such as milking machines.

Mr D F de Villiers, assistant general manager of the Wheat Board, said that greater risks for farmers in the absence of boards would have raised costs.

Do they shelter the weak?

South Africa's farmers are said to lead a cosy existence sheltering under the protective umbrella of 21 agricultural control boards.

Critics say this leads to inefficient production and to massive surpluses which often have to be exported at a loss.

Mrs Joy Hurwitz, national president of the Housewives' League, said: "If farmers are assured of a market and a set price, they plant until it is coming out of their ears, and the inefficient benefit just as much as the efficient."

In the free enterprise system, there should be a challenge and risk involved in any form of business to ensure an incentive to maximum efficiency, she said.

She said the existing system not only benefited the inefficient farmer, but also led to a surplus situation.

"The consumer should benefit from this over-production through lower prices. But instead, the surplus is sent overseas at a loss," she said.

Professor J J Stadler, professor of economics at the University of Pretoria, presented a similar view.

When farmers received fixed prices which were adjusted according to production costs, market prospects often played a very small role or no role at all in the farmer's production decision, he said.

These views appear to have influenced the Government which this year took the highly unpopular step of pegging the producer price of maize at R115 a ton for yellow maize and R118.25 for white maize.



AS THIS control board exercise has expanded, certain ideas have matured such as the scrapping of some bodies and the forming instead of a more central scheme.

The idea is not novel. It was first mentioned in a Vleis/Meat editorial which suggested an umbrella organisation. This would eliminate those endlessly repetitive meetings, legislation and paperwork, all so costly, and would condense routine jobs, create the sharing of facilities and generally tighten up efficiency.

Most of all it would "introduce" the control boards to each other and thus surpluses could go to local markets which need them instead of being exported at a loss. For example, maize could go to dairy farmers as feed.

Another thought that occurred was that a change of name might be beneficial because the present "control" boards have an unfortunate connotation in consumers' minds, to whom it means price control and immunity from competition.

A better name would surely be marketing boards for this is what most of them are with very little actual control being exerted by several of them.

In view of the above, it was great to hear of a start in this direction where the Citrus Exchange and the Banana Board are to share research facilities for soil and leaf analysis.

"In terms of section 38(1)(a) of the scheme, no producer may sell canning fruit produced by him unless he has been registered with the board."

This stipulation also applies to canners.

There is also a statutory prohibition relating to the sale of 1979/80 apricots intended for canning by a producer or a person who dries apricots and who deals in the course of trade with apricots by handling it for canning purposes, unless in accordance with a written agreement.

They must have a reason for this, but it escapes me. And this same prohibition is repeated on other pages for peaches, then for pears. Jams also come under control and I read in a Government Gazette that, for example, apricot jam must comprise at least 70 percent apricot.

Administration costs for the Canning Fruit Board — from levies — amounted to about half a cent per rand gross farm value. But I am wondering how much the cost of products is raised by the several controls of the various boards and whether this simple calculation is not totally misleading and far short of the actual cost to the consumer.

Next comes the two commissions and we first take that for fresh produce markets. Under this scheme is the Durban Municipal Market and the director is Mr D. J.

Willemse.

The main function of this commission is "to ensure orderly marketing throughout the country". Municipal markets are the main distribution points for fresh produce and the laws of supply and demand dominate. First crop of the season is sold by auction on the first day only. This gives an indication of what the consumer will pay and thereafter agents set prices, much as is done by the Banana Board.

But it was not so great to read in the Canning Fruit Board's 1979/80 financial report that the body controlling three fruits — peaches, pears and apricots — had separate advisory committees for each

point.

Instead, they claim to supervise the orderly flow of canning deciduous fruit between grower and canner.

Four points were mentioned as representing difficulties for canning fruit. They are unpredictable weather (this surely affects all branches of farming); the inability of the fruit farmer to change over to other farming in the short term (true, but I doubt if any farmer readily takes such a step); the effect of unfavourable economic conditions for exporting; and the uncertainty of foreign markets (the Citrus Exchange seems to regard these two



fruit. Perhaps they do meet on the same day at the same place but nevertheless the paperwork is tripled for a start and time must be wasted.

The Canning Fruit Board exports about 88 percent of the canned fruit and its other main function is to negotiate a minimum price for the grower as well as to liaise between grower and canner. But unlike citrus and deciduous fruit and bananas, we seldom have seasonal drops in the prices of canned fruits or jams except sometimes from Silver Leaf.

Of course, canned fruit is not perishable and maybe this is one reason why canned fruit and jam prices have soared beyond many peoples' pockets. Most boards claim to try to reduce the prices between producer and consumer but the Canning Fruit Board is mum on that

obstacles as positively stimulating!.

Lastly, the various control measures will also ensure an adequate supply of high-quality canned products to the consumer." I thought competition took care of that but this board maintains strict control of supplies as evidenced by this extract:

With fresh products there can be no protracted marinating or deliberate delays to win higher prices because freshness is shortlived and inspectors will swiftly downgrade products. We are assured, therefore, that prices will periodically fall as well as rise. But graphs over a long period of time must show a rise because inflation hits the farmer, too.

Remember that produce loses quality in the

stores and you are invited to report your suspicions to the Department of Inspection Services when produce marked grade one is clearly grade two. The Durban telephone number is 451441.

Mr Willemse claims that where there is disorder in any industry, the consumer invariably suffers.

In short, markets provide a necessary selling and buying point, for the convenience of both producer and consumer.

And do remember that bananas, for instance, can be bought direct at the market at very little more than the wholesalers pay. Listen to the Market Report on the radio at 1.35.

Not so straightforward is the other commission — the Operation of Abattoirs. Their function is to provide for control over all matters in connection with the siting, erection, use, alterations, closing, management and conduct of and services at, abattoirs, the co-ordination and rationalisation of all such matters (and) the giving of advice on such matters to the Minister."

As all this is administered by the Director of Veterinary Services we are assured that the interests of consumer and producer are served with the commission comprising two economists (one full-time) a veterinary surgeon and a farmer.

Sounds plausible enough and the grumbles about Cato Ridge seem to have subsided so perhaps it pays its way although, and I quote:

"It would be fallacious to attempt to indicate its running costs with any certainty. Basically, these costs would entail the sum of the dues of the farmer members and the incalculable percentages of the remuneration of the officials accommodated in Government buildings, with a minimum of overhead expenses.

In real terms, these costs would be minimal and become insignificant when viewed against the aims of the commission."

Mmmmm, meaty... The Lucerne Seed Control Board replied very correctly and running costs — from levies — were R50 000 for 1980. Their aims include securing a greater stability in prices and reducing prices between producer and consumer.

The board fixes maximum prices with the approval of the minister.

They also try to effect better export arrangements but a call to the secretary told me that very little is exported!

Further, the board monitors quality and keeps in touch with the Minister of Agriculture regarding the marketing of lucerne seed. (Does that make Pietie du Plessis the top seed?)

Well one seedsman I spoke to was not at all happy with control of lucerne seed, and he was mighty relieved that he is still mercifully spared from any such control measures.

Last today is the Rooibos Tea Control Board. On June 16 the wrote acknowledged receipt of the questionnaire and promised an answer "in due course". We thank them in anticipation, but too late now!

S. Inbwa
30/8/81
3 casual boards

GET TOGETHER

Colleen Shearer looks

at the possibilities of one control board for all produce

FOOD

'Controls can be unfair'

Agricultural control is good for the farmer and unfair to the consumer, a United States business professor believes.

Professor Walter Salmon, professor of retailing at the Harvard Business School, should know.

The USA — the bastion of the free market system — has more than enough agricultural control of its own, he says.

Professor Salmon, who has been lecturing in South Africa, believes both American and South African con-

sumers suffer higher food prices because of agricultural controls.

The US equivalents of our control boards are the marketing orders, he said.

These orders help impose acreage controls — limiting the land which may be used for a crop.

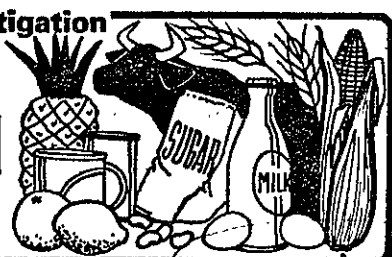
They also recommend a "parity price" to the Government. This price is determined by changes in the cost-of-living as well as by farmers' costs.

If the market price falls below the parity price, the US Government buys produce to maintain the price.



Agricultural control boards . . . said to be good for the farmer and unfair to the consumer.

A Star Investigation Food Control Boards



81a 31/8/81
An investigation by
David Breier, Caroline Braun
and Hannes Ferguson.

Search boards The last of a five-part series

Professor Salmon said the danger of either the US or the South African farmer-dominated control system, was that they kept the marginal or inefficient farmer in business.

"Prices are probably set so they provide a profit to most producers.

"They can provide a bonanza to really efficient farmers," he said. To inefficient farmers, they provide a living as well.

"If the free market was allowed to operate, in times of surplus, prices would fall to allow a profit margin by only the efficient producers," he said.

This would cause less efficient farmers to leave the land, leaving only the most efficient to produce food in large-scale, technically advanced

farming operations.

Professor Salmon believes this would lead to lower food prices. But is there not the danger that this could lead to monopolies and price fixing, he was asked.

He replied that while some farmers would drop out, price fixing could be avoided as long as there were enough left to prevent the forming of monopolies.

But he said it would have to be calculated how many would have to remain to prevent monopolies in the smaller country such as South Africa.

Professor Salmon said the idea was to ensure competition without protecting the competitiveness of the inefficient.

When prices are consistently set at a high level, farmers do not have the same incen-

tive to innovate, he said.

"One of the greatest incentives of research is to remain in business," he said.

Research today exploited new and better ways to change old working habits.

"Farmers are particularly tradition-prone. Having a board to do research and development is not as much an incentive as watching profits disappear," he said.

He said boards may provide farmers with the fruits of research, but this did not give farmers the incentive to innovate by putting the research into practice.

In the United States, the Department of Agriculture conducted a great deal of research.

But the speed with which this research was applied depended

on how a farmer believed this would affect his profits.

"If he is under more pressure, he would be more receptive to innovation," Professor Salmon said.

Generally, the US marketing orders have encouraged higher prices and surpluses and have discouraged innovation, he said.

The question of surpluses is an important strategic issue for both the USA and South Africa.

The USA uses surpluses in its overseas aid programmes as well as exports, which help keep the world dependent.

South Africa uses surpluses to export, notably to Africa, where South African food nourishes its strategic influence.

Professor Salmon believes that if the Government wanted to export or donate food for strategic reasons it could best do so through the free market system.

If there was a demand for export, supply would rise to meet this demand.

He said this would be achieved more cheaply than by artificially raising prices to create surpluses.

Professor Salmon believes that the best marketing is not achieved by control boards or marketing orders, but by producers and packers competing against each other.

He said that the US system aimed to impose controls to achieve a fair price.

But if a fair price was fair to the consumer as well as the farmer, it should be lower, he said.



South Africa's food surpluses are used to nourish strategic influence through exports, particularly to Africa.

Foreign observers respect them...

Housewives hate them. Bureaucrats love them. Foreign observers respect them.

The subjects of these conflicting emotions are South Africa's 21 agricultural control boards.

South Africans may be surprised to learn that our control board system is by no means the unique monster it is sometimes made out to be.

Other countries have their own control systems. Some operate through boards like ours. Others have more direct Government control. But some form of control appears universal.

Foreign experts with no axes to grind in South Africa were asked to comment on our control board system.

South Africa's boards do a good stabilising job, said one. There is a need for somebody to run a marketing programme, to negotiate with the railways and so on.

If this was not done by the boards, it would be done by the Government or by the co-operatives. "You might as well have boards," he said.

A common reply among foreign observers was on these lines: South Africa needs more control than, for example, the United States or the European Economic Community.

The great size and intense competition in those markets made monopolies practically impossible.

The relatively small size of South Africa's market made monopolies more feasible, and more control was needed to prevent this.

Another point made was this: South Africa had more reason than most to be self-sufficient in food and a food exporter.

This was because South Africa was vulnerable to overseas food boycotts. Also South Africa needed to exercise some form of

strategic influence on Africa through food exports.

One observer warned that South Africa was not doing black Africa a favour by keeping it dependent on South African food. In the long run this would cause instability as it would discourage production in those countries, he said.

Some observers felt South Africa overdid some controls while others were amazed that so many boards were necessary to control minor products such as rooibos tea and dried fruit.

A survey of systems in other countries has revealed widespread controls.

Zimbabwe's Agricultural Marketing Authority is an umbrella body that controls the Cold Storage Commission (meat), the Grain Marketing Board, the Dairy Marketing Board and the Cotton Marketing Board.

During the depression of the 1930s, Commonwealth countries, including Zimbabwe (then Southern Rhodesia) and South Africa, introduced agricultural control boards to create stability for the farmer.

An economist described the Zimbabwean Dairy Marketing Board as "the epitome of control." It controlled the product from the gate of the producer to the doorstep of the consumer.

New meat price controls were recently introduced, pushing producer prices up by an average of about 30 percent — an incentive to beef farmers.

Zimbabwean boards are appointed by the government. Unlike some South African boards, there are no consumer representatives although the government is represented on them. Producers form the bulk of the boards.

Prices are determined during lengthy negotiations between producers and government. The final deci-

sion is taken at Cabinet level — not unlike some of South Africa's prices.

Zimbabweans say that South African boards delegate much more responsibility to agents and co-operatives in the handling of produce. Zimbabwean boards exercise more direct control.

But Zimbabweans are amazed that South Africa has boards to control "piddling" products such as chicory and bananas.

Zimbabwe, which has only four basic boards, believes in controlling only essential products, including proteins and grain.



Senator Dennis Norman, Zimbabwe's Minister of Agriculture, has only four basic boards in his portfolio. Only essential products, including proteins and grain, are controlled.

When it comes to control boards in other Commonwealth countries, Canada overshadows even South Africa. Canada has some 108 provincially-based marketing boards.

If South Africans feel a little embarrassed about control on rooibos tea, they can look at the marketing controls on rutabaga in Canada for relief.

Canadian boards sometimes only negotiate minimum prices. But they may also fix production and mar-

keting quotas.

In Australia, wheat, barley, coarse grains, oilseeds, sugar, eggs, milk and a wide range of horticultural and vegetable crops have statutory or co-operative marketing systems of one form or another.

By contrast, other major commodities, especially meat, are marketed by a more free-market system of auctions and private sales.

The Australian National Farmers' Federation, which favours fewer controls than exist in South Africa, sums up the pros and cons of controls in this way:

"There are two general approaches to stability. The first, in seeking either to stabilise prices or to control supply, can impart some stability to a commodity.

"The second approach is to allow market forces to operate normally and then to have mechanisms available for farmers, especially at the individual level, to offset the effect of instability (for example through tax averaging provisions).

"As a general rule, the second approach is preferable because it works within, rather than cutting across, market forces."

A recent study by three United States economists on the need for a similar wheat board system in the USA, concludes that the United States can do without such a board.

They point out that the Canadian and Australian wheat boards have compulsory marketing organisations and use guaranteed floor prices, price pooling and quotas.

The United States has a price support system which is implemented by the US government, they add.

In general, the United States lacks South African-type boards, but many board functions are

carried out at government level.

US foreign aid programmes as well as US Department of Agriculture food distribution programmes to schools, the elderly and the needy, help to remove surpluses and therefore support farming prices.

Although the US system is comparatively free of controls, US experts believe there is no agricultural system in the world totally free of government interference.

US quota systems and marketing orders have been described as carrying out fairly similar functions to the South African boards.

For example, the US federal milk marketing orders establish minimum prices at which milk dealers may buy milk from farmers.

Public hearings are held on proposed changes — very different from South Africa's system where prices are worked out between the board, the National Marketing Council and the Cabinet.

One of the more controversial controls in the United States is the acreage "set-aside" programme in terms of which farmers are sometimes paid not to produce. This enables farmers to adhere to quotas, but can lead to ludicrous situations.

The European Economic Community is the world's largest food importer and operates a common agricultural policy. Within this framework of controls, tensions have arisen.

Dr W Florian, a West German authority on the EEC, says some member states believe in a philosophy of government intervention. Others believe in the free play of economic forces.

While, for instance, in the Federal Republic of Germany, some matters are not regulated but are left to the market forces, there are attempts in other countries to cast these matters in solid

forms. Bitter confrontations may be the consequence," he adds.

The EEC has an overall price system with agricultural prices guaranteed. The price system operates in highly complex manner through the "green dollar" — a sort of European currency.

But the European Parliament and the Council of Ministers, which set prices for the coming year, are regarded as weak and much "wheeling and dealing" is said to occur behind the scenes.

Ironically, the EEC benefits from the fact that it is a net food importer while South Africa is a net food exporter.

The EEC imports food at comparatively low cost and then raises prices to high levels for local consumption.

The difference between these two prices is kept in a fund which subsidises the export of any EEC surpluses.

A country that has much in common with South Africa is Israel.

The Israeli Minister of Agriculture acts as chairman of every control board.

An analysis of the South African and foreign agricultural control systems suggests that the ideal system is one that achieves a balance between free enterprise and a controlled economy.

The ideal system should avoid the drawbacks of excessive control which stifles enterprise.

South Africa appears to err on the side of having too much Government control. Yet despite this, a monopoly system has been allowed to develop in some fields, notably meat and eggs.

The challenge is to devise a system that can reduce controls and somehow keep the monopolies at bay.

This might require the skills of a magician or a juggler rather than a Minister of Agriculture.

Marketing Act: boards

14/05/80 (14/9/80)
*13. Mr. P. A. MYBURGH asked the
Minister of Agriculture and Fisheries:

③

14/11/80

3comha boards
4/9/81

293

FRIDAY, 4 SF

What percentage of South Africa's total agricultural production in the financial year 1979-'80 was not under the control of any board established under the Marketing Act?

*The MINISTER OF DEFENCE (for the Minister of Agriculture and Fisheries):
24.35%

THE CONTROL BOARD SURVEY . . .

OF the 22 agricultural control boards, only eight have consumer representation: and only one member in each case.

The control board structure was pruned following an inquiry into the Marketing Act in 1976 when the maximum membership of boards was fixed at 13.

In some cases consumer representation is irrelevant, for instance the Karakul Board which is concerned solely with the export of karakul pelts (and is probably why they ignored our letter and questionnaire).

But for local consumption, I feel consumer representatives have a valuable contribution, even though the Oilseed Board claims otherwise. They say all board members are consumers anyway and can see both sides — production and consumption.

I doubt this. All manufacturers are consumers and only 10 percent of new products launched survive. The other 90 percent apparently seize up under starter's orders.

Did those same men think of asking their wives whether they would buy the product? Was it put to an objective panel and not just one in the factory who, in my experience, is woefully subjective?

Samples, home and competitive, should be disguised and coded to give results of any practical value.

Some boards have only producer members, but in the end every price rise ripples through the economy, every product is affected, every increase hurts us all because we are ALL consumers.

I believe, therefore, that consumers should have a voice on control boards, as should retailers and the whole spectrum of commerce from the tiller to the table.

Let us examine consumer representatives on boards and see how they were chosen.

The Consumer Council receives nominations from the Consumer Union to which most consumer bodies are affiliated (with the exception of the Housewives' League). These bodies, include, amongst many others:

The Business and Professional Women's Club, Confederation of Labour, Nurses' Association, National Council of Women, Public Servants' Association, Trade Union Council, Women's Agricultural Union and the Vroue Federasie.

The nominations are submitted to the Minister of Agriculture who makes the final appointments. And it seems as though the ministry did its homework well because the consumer representation line-up is quite impressive (and an indication of what we have to offer those boards which feel they can do without).

Here's a random study.

● **Dairy Control Board:** Mrs Betty Hirzel, BSc Dietetics, National Chairman SA Consumer Union and board member of Consumer Council.

Mrs Hirzel is not happy with all the activities of this board mainly because she feels it controls too much and now even wants to extend its influence.

Her view is that control should be limited to a fixed price for the producer and thereafter let free market forces operate.

She makes the point that ours is supposed to be a free economy and the more controls laid down, the more inspectors will be needed to police the controls, and all this adds to costs.

Mrs Hirzel has constructive ideas on combating dairy substitutes, feeling it

would be better to join them by also creating cheaper dairy products than to persist in the present losing battle.

Considerable research has already been done in this field and it needs to be adapted, particularly as there are doubts about the nutritional value of some dairy substitutes, and the health of the nation is paramount.

I questioned Mrs Hirzel about seasonal surpluses and suggested that these be made available to the poorer people and though she supported this in theory, she warned that in practice crafty entrepreneurs buy up the cheaper supplies in bulk and these percolate back to the over-supplied markets. (This view has been endorsed by several boards which handle perishable products.)

However, she feels that every avenue should be explored before we export surpluses at lower world market prices because in the meantime the producer is guaranteed his price and the shortfall must obviously come from somewhere.

I know farmers claim they suffer such losses through the levies they pay but surely they in turn claim tax rebates on the same levies?

The controversial sponsorship of sports, she said was a delicate issue and she felt that a bad advertisement was worse than none at all. It was mainly rugby advertising that incensed consumers and she was against it in principle.

Mrs Hirzel's message can be condensed to: "Control control, then give initiative a chance." Altogether an articulate, committed woman; and interesting consumer spokeswoman.

● **Potato Board:** Mrs S. E. Moolman, BA Hon. (Hist) UEd. Teaches geography.

Mrs Moolman says control boards are a marketing necessity in a modern economy and the aim is obviously to get the best price for the producer, so they are structured to his benefit. This, she feels, is fair because producers finance the boards through levies. However, the boards are only as effective as their producer members.

It depends therefore on how wisely the producers elect their board members and if there are problems with boards then the producers should look to themselves for the reason.

She approves of our systematic comparison of control boards. She feels the consumer has the right to know what is going on and she would welcome more consumer representation on boards, a single member being a voice in the wilderness. She says it would be in the producers' interests because although farmers claim to be consumers as well they do have divided interests — primarily being producers, and can't be both.

Mrs Moolman is very strong on the point that consumers should be more discriminating. They

should insist on the best otherwise they will only get what carelessness deserves and retailers can easily exploit them.

For instance, a retailer can buy lower grade potatoes in a pocket then split them into smaller packs and mark them grade one.

Unless consumers complain, this practice will persist, especially in times of surplus, and the Potato Board will be blamed. There simply are not enough inspectors to check up on the malpractice. This is one of the reasons for the introduction of the 10 kilogram pack, a size shoppers can carry more easily and use economically.

Pockets are graded by inspectors at the market, weighed, and later priced.

Another point made is that vigorous promotions are being conducted in black areas, and every effort is being made to sell surpluses where they are most needed. She agreed with my observation that farm stalls are not cheap despite no packaging or transport costs. She said farmers listen to the market reports on the radio and set their prices accordingly.

She appealed earnestly to consumers to make their needs known to retailers who will feed the information back to the trade.

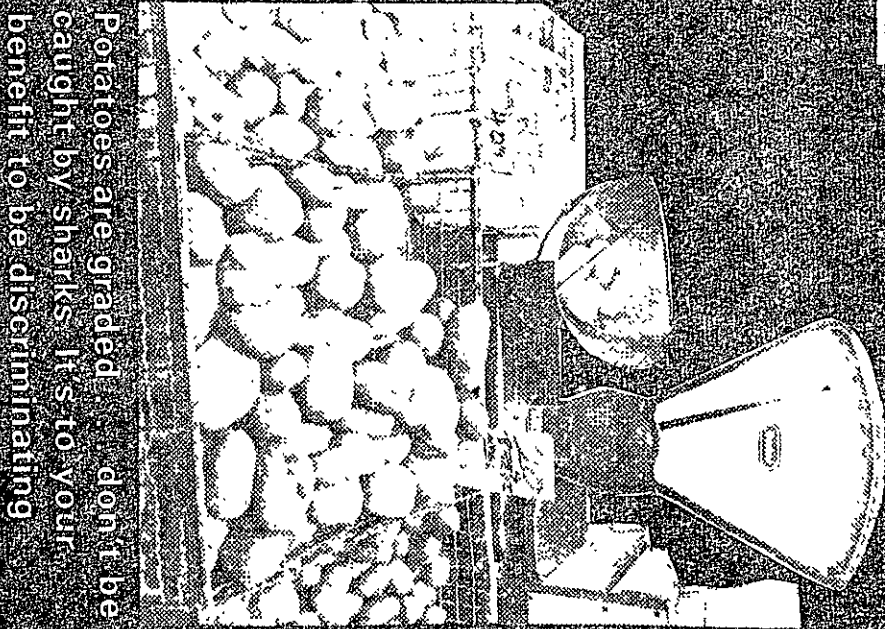
TALKING SHOP

By COLLEEN SHEARER



Give us a say on the control boards!

COLLEEN SHEARER, the consumer watchdog, calls for stronger consumer representation . . .



Potatoes are graded, don't be caught by sharks. It's to your benefit to be discriminating.

THIS WEEK:

Your members of

IN this penultimate article on control boards, we briefly look at the remaining six consumer representatives.

WHEAT BOARD: Ria Becker said she could not make statements to the Press, only the general manager could do that. Committee meetings were confidential.

Mrs Becker, does, however, send reports to the Consumer Council so let's hope the news that interests consumers gets out that way! I find it puzzling and unsatisfactory that a consumer representative may not report back to a consumer column.

DRIED FRUIT BOARD: Gerrie van der Merwe

served for five years on the Consumer Committee when it was separate from the Consumer Council. As a businesswoman she feels she has a two-fold contribution to make, being familiar with commerce as well as being a woman with consumer awareness.

As dried fruit is not so much a bread and butter line but something of a luxury to many people, the board must — and does — give greater consideration to the consumer. And even though exports produce better prices, the board makes sure local demand is satisfied first. That's something when five out of nine members are producers.

CITRUS EXCHANGE: Ethnee Cochrane is a trained

SUNDAY TRIBUNE, SEPTEMBER 20, 1981

SUNDAY TRIBUNE

... keeping tabs on those in



... in demand, but some customers need more guidance from him

the boards!

company secretary, a board member since 1969 and previously a councillor on the Marketing Board.

With all the exchange's slick expertise, it acknowledges the advantages of having a consumer representative, and accordingly its statute makes provision for one. Mrs Cochrane's value is in giving feedback from consumer level on the effectiveness of advertising in meeting market needs on availability, quality and price.

She is enthusiastic about the Citrus campaign ("It really does mean pure juice"), health diet promotions and the introduction of smaller economy packs, all of which stimulate sales and spread the word on

the benefits of citrus. And note that home delivered fresh orange costs 35 cents a litre bottle and this includes GST.

EGG CONTROL BOARD: Anna van Wyk has a B.Sc Hons Home Economics and Dietetics, and is a lecturer in management and family studies at Pretoria University.

She is an enthusiastic member who says the unhappy image of the Egg Board was created by a difficult period three years ago when there was a surplus which had to be exported at a loss. Thereafter a permit system was introduced and in this way the board tried to balance supply and demand.

Mrs van Wyk feels that if there was no control of production by the board, the "big boys" would swamp the market, so it really protects the little men.

Steps are being taken to transport eggs further afield, plus promotions to encourage lower income groups to eat eggs (which are taboo in some cultures). In this area Mrs. van Wyk, the consumer, comes to the fore, and she urges the consumption of eggs as they are very good value nutritionally, especially at about R1.22 a kilo for protein compared with over R2 for poultry (with bones) and at least R3 a kilo for red meat.

A swing to a protein-rich diet would mean a healthier, better-fed populace and consequently less money spent on cures. So it is not just a question of economics, it is also health and nutrition at stake. In short, eggs are an economical food, easy to prepare and so clean.

She claims that if egg consumption could be stimulated, production could be increased with more maize having to be used for feed, and this in turn would help the Maize Board. That's positive thinking.

MAIZE BOARD: Mr R. H. Landman, general manager of the Public Servants' Association. He would welcome consumer company on the board, but says he does get support from the other members at times.

He is dismayed about reports of a maize cartel being formed because he is in favour of competition and if this is endangered, the board should intervene. He questioned what competition there is anyway as far as farmers are concerned and he said they have to compete on world markets because more than half their yield is exported.

This evidently has the same effect as a quota system, that is it limits a farmer's production.

Again the question of selling cheaper maize to the poor, but Mr Landman asked who would organise this. I suggested possibly the churches or Red Cross but he said it would be difficult to organise.

About 50 years ago producers and consumers had to contend with fluctuating prices and he feels it is better to have control with a basic commodity, and only one price adjustment annually. This way prices cannot get out of hand.

"What annoys me is if maize and meat and other farm products go up less than the inflation rate, there is an outcry, but manufactured goods go up weekly far beyond the inflation rate," he said.

He has a telling point here and one which I am investigating.

MEAT BOARD: Professor Leon Weyers, M Com, M A, D Lit & Phil is a member of the Consumer Council.

Prof Weyers says the meat industry is one of the most complex. South Africa's major problem is that much of the land is suitable only for grazing so it is in our interests to promote the meat industry.

According to a Consumer Council

control

The men and women who look after your interests

survey, there is a steady consumer loyalty to the family butcher but many feel they need more guidance from him. This includes advice on the new grading system and the feeling was that retailers are not educating customers enough. My question is, does the consumer ASK?

The big price rise in meat has aroused suspicions that the Meat Board is responsible through manipulation in the interests of the producer, especially as producers dominate on the board. But the Meat Board has nothing to do with prices. It controls supply, not demand. The Meat Board has NOT limited supplies since the price rose and is currently issuing permits freely because abattoirs are operating below capacity.

The floor price is recommended by the board and set by the Minister. It is determined on the basis of covering production costs to protect the farmer (we must keep him on the land).

For the past two to three years producers have been living on capital and selling breeding stock but with higher prices now they are holding back stock to breed. Prof Weyers predicts a stabilising now, even a fall in prices. His view is that the Meat Board is very consumer conscious because the industry depends on the consumer.

Regarding the support price, the theory was to eliminate short term price fluctuations and so help the producer, and while in principle he supports a plan to stabilise industry, the support price has failed and he is opposed to it mainly because it resulted in keeping prices artificially high in the short term. The support price is being investigated by the Marketing Council and the Meat Board.

I asked whether he thought the Meat Board's existence was justified and he said that supplies at abattoirs, for one thing, must be regulated because if over-supplied, hygiene could become a problem.

To my question whether a two-market system would not be better, he said that to a certain extent it is one because control is applied only in the major urban areas. Outside of those areas the farmer is free to sell as he pleases and sometimes prices are higher than elsewhere — because the farmer checks prices on the radio market reports!

However, with no control in such areas, grading is a problem because there is no guarantee to the consumer, and sharp butchers can sell low grade as super. For this reason responsible butchers would like grading to be done by inspectors to protect their businesses against fly-by-night dealers.

Prof Weyers would also like a consumer company on the board. And on the point about consumer representatives not being free to talk to the Press, he said that though committee meetings were confidential, representatives were entitled to give feedback to consumer, and to be frank about the activities of the boards.

...AND NOW: A MENU TO MAKE YOUR STOMACH TURN



Duck or tiger ... take your choice. Both are on the menu

SNAKES AND TIGERS ... EVEN LIZARDS GO DOWN WELL!

BANGKOK: "Pass the tiger, please." The plate is pushed across a table at the Jungle Restaurant on the outskirts of Bangkok.

The place is an edible zoo.

Snakes doze in their cages waiting to be made into soup.

Others, a step closer to the kitchen, hang dead by their heads, stiff, forked tongues protruding.

Remains of other beasts on the bill of fare — antlers, skulls and skins — decorate the outdoor thatch and bamboo dining room.

A tin pan of entrails sits by the cages of assorted furry creatures, including mongooses and an unrecognisable bear-like animal which the restaurant staff describe as a "pet."

Much of the menu here, stir-fried tiger in particular, is on the endangered species list.

"Killing wild animals — even deer — is illegal in Thailand," explained one of the many Bangkok residents who are regular customers here. "But since the animals are already dead we might as well eat them."

The restaurant, owned by an army sergeant "with connections" receives regular deliveries of jungle animals from hunters, the staff said, but would not go into details.

"Nobody knows exactly where the animals come from, but they told me that if I caught a snake on the street they would buy it," one customer said.

King cobra is one of the most popular items on the menu, delicious, if stringy, in sour or deep fried.

Whisky bottles purporting to contain king cobra blood ("good for circulation") and snake gall ("a muscle relaxant") are sold for about 300 baht (about R14) a waitress said.

"The men like king cobra because it's an aphrodisiac," she said.

Other tasty dishes are deep fried ground lizard, disjointed before being cooked but with no parts missing, hot curried monkeys, stir-fried crocodile, fried minced tiger with green peppers, and tortoise with mushrooms and tomato paste.

For those with tamer tastes there is duck, wild boar or deer in oyster sauce. A meal for four costs about 360 baht (about R17).

"Iguana is very popular here, and they serve bear, but it must be marinated a long time to get rid of the smell," a regular customer said.

Meals are washed down with quantities of sugar cane whisky or strong Thai beer.

"This place is very popular with the men, specially on Friday and Saturday nights," a woman diner said.

"They eat and drink so much they end up with their heads on the table," she said. — Sapa-Reuter.

RPT 6.10.81 2/4

'Promote milk among blacks'

3earhul boards

BLACK people will not carry on drinking milk unless it is promoted, Mrs Mavis Masoeu, a demonstrator of the Dairy Control Board, said at the South African Dairy Foundation Conference in Johannesburg yesterday.

"This product will have to be actively promoted because it is far more difficult for blacks to consume milk than whites," she said.

Mrs Masoeu gave the following reasons:

- There were virtually no home deliveries.
- Refrigeration was a problem.
- The price was high.
- The quality was sometimes questionable.

Income

"Blacks spend 35,8% of their income on food as opposed to 18,4% spent by whites," she said.

Mr M Manawar, a nutrition officer of the Durban Milk Association, also stressed the importance of the growing Indian consumer whose main complaint was that milk was too weak.

He said milk and dairy products should be made available at all schools.

Dr J P du Plessis, a nutritional scientist, said milk could play a very important role in the prevention of diseases, such as kwa-

Milk Reporter

shiorkor, because it supplied protein, energy and vitamins.

The dairy industry should devote its attention to the development of distributional networks to effectively give blacks access to fresh milk, he said.

The National President of the Housewives League, Mrs J Hurwitz, said the success of the dairy industry stood or fell on milk or cheese.

Cheese, she said, should not be exported and if there was a threat of over-production then cheddar should be matured and sold at a higher price.

On the subject of milk increases she felt farmers should realise that further increases would result in a cut-back in consumption.

The chairman of the South African National Consumer Union, Mrs B Hirzel, said it was a tragedy that because of price increases, cheese and yoghurt had to be eliminated from shopping lists.

ACIRICULTURE — Control Boards

1982

MARCH — Dec,

3) Centrol Maize Board 10/3/82
Beard, Hanson Q. Col. 332-4
*11. Dr. W. D. KOTZE asked the Minister of Agriculture and Fisheries:†

- (1) Whether the Maize Board refused tender prices for shiploads of maize during November 1981; if so, in respect of what percentage of shiploads were tender prices refused;
- (2) whether a backlog in the export of maize has arisen as a result of the refusal; if so, to what extent;
- (3) whether this refusal will have an effect on the surplus at the end of the current financial year of the Maize Board; if so, to what extent;
- (4) whether there has since November 1981 been any improvement in the tender prices submitted to the Maize Board; if so, what improvement;

- (5) whether the Maize Board has sold certain quantities of maize outside the tender system, excluding the futures market, during its current financial year; if so, how do these prices compare with the tender prices which were refused;
- (6) whether the Maize Board concluded any transactions on the futures market during the past 12 months, if so, (a) what quantity of maize has been sold in this manner and (b) how do these prices compare with those of maize sold in the conventional manner in the said period?

†The MINISTER OF AGRICULTURE AND FISHERIES:

- (1) The Maize Board offers units of 14 000 ton of maize for export on tender and not shiploads. 28 units of white and/or yellow maize were offered on tender during November 1981 for export during January 1982. The prices tendered for 19 units were refused, i.e. 68%.
- (2) The non-acceptance of the relevant tender prices resulted in a smaller shipping programme for January 1982 than would have been the case had the prices been accepted. The programme was 266 000 ton smaller.
- (3) The non-acceptance of the prices tendered would under normal circumstances have caused an increased carry-over on 30 April 1982. However, sales which have since taken place outside the tender system have had the opposite effect on the carry-over on 30 April 1982, resulting in an increased carry-over of less than 266 000 ton.
- (4) The prices realized by the Board on tender are influenced by various factors, such as interest rates, exchange rates, international events, world grain crops, droughts, etc and the non-acceptance of tender prices does not necessarily cause price increases. Should it contribute to price in-

creases, these would not occur immediately. Since November 1981 tender prices temporarily rose, then decreased and during February 1982 increased again.

- (5) During the current financial year, the Board sold certain quantities of maize outside the tender system at prices considerably higher than the tender prices which were refused.
- (6) During the current financial year, the Maize Board entered into transactions on the futures market. For strategic reasons the quantity concerned cannot be divulged. The transactions on the futures market are paper transactions in respect of both selling and buying and are therefore not comparable to prices obtained for maize which is actually sold in the conventional way by the Board. The futures transactions were concluded successfully and in such a manner that the stabilization fund benefited appreciably.

M

A

THURSDAY, 11 MARCH 1982

†Indicates translated version.

For written reply:

3 Control Boards Hansard
Marketing Boards
Q. 61. 348-9 11/3/82

178. Mr. P. A. MYBURGH asked the Minister of Agriculture and Fisheries:

What was the total cost of each board established in terms of the Marketing Act for the 1980-'81 financial year?

The MINISTER OF AGRICULTURE AND FISHERIES:

	R
Potato Board	640 571
Dry Bean Board	226 831* ¹
Dried Fruit Board	171 211* ²
Egg Control Board	1 200 429
Karakul Board	33 365
Cotton Board	227 244* ³
Wheat Board	2 831 813
Lucerne Seed Control Board	63 234
Maize Board	4 067 680
Oilseeds Control Board	1 709 854
Banana Board	662 000
Meat Board	6 110 975
Canning Fruit Board	207 280
Rooibos Tea Control Board	140 925
Deciduous Fruit Board	5 393 823
Chicory Board	396 908
Citrus Board	2 690 476* ³
South African Wool Board	1 470 879
Dairy Control Board	1 533 934* ⁴
Mohair Board	209 556
Tobacco Board	226 643

The figures above constitute only administrative expenditure.

*¹ For the 1979-'80 financial year an amount which was not administrative expenditure, was erroneously included in the reply to question No. 178 of 5 February 1981—the correct figure is R219 748 and not R294 869.

*² For the 1979-'80 financial year an amount which was not administrative expenditure,

was erroneously included in the reply to question No. 178 of 5 February 1981—the correct figure is R159 774 and not R295 250.

*³ The amount of R5 923 980 which was given for the 1979-'80 financial year in reply to question No. 178 of 5 February 1981 included overseas pool expenditure which is not administrative expenditure. The correct figure is R2 385 424

*⁴ In reply to question No. 178 of 5 February 1981 this amount was erroneously given as R2 352 421, due to the inclusion of non-administrative expenditure. The correct figure for 1979-'80 is R1 275 241.

* The increase in this cost is attributed to an expansion of services, for which additional personnel were appointed.

Adequate

10 1/2

Anger over policy on abattoirs

~~(2) Meat~~ (188)
(3) Control Boards
Star
17/4/82

By Hannes Ferguson

Stock farmers and country butchers are up in arms against the Government's "socialist" policy of centralising country abattoirs.

The Deputy Minister of Agriculture, Mr Sarel Hayward, confirmed in Cape Town yesterday that old abattoirs would have until December 1984 to comply with the very strict, hygienic standards set by the large urban abattoirs.

Municipalities operating abattoirs which did not conform to minimum requirements would face the withdrawal of their abattoir licences.

A spokesman for the SA Agricultural Union commented that hygienic standards were necessary, but in the case of country abattoirs unrealistic demands were sometimes made.

This could lead to uneconomic expenditure for which the farmer had to pay.

COMMITTEE

The deputy chief meat hygiene officer of the Department of Agriculture, Dr Jan Coetzee, said that the Abattoir Commission, had to provide the South African consumer with clean, healthy and wholesome meat.

A committee consisting of the chief meat hygiene officer, Dr J P van der Merwe, and the chairman of the Abattoir Commission, Mr H J L du Toit, had been set up to determine which country

abattoirs would have to close.

Country butchers objected to the regional "meat palaces" to be built at exorbitant cost. These would increase slaughtering fees from as low as R2,50 a head of cattle to as high as R40, for which the consumer had to pay.

The R14 slaughtering fee at the Johannesburg and Durban abattoirs was already excessive, butchers said.

TRADE'S TASK

It was the trade's task, not the government's, to supply the consumer with "healthy, clean and wholesome" meat, butchers claimed. Reasonable inspection was always welcome.

The chairman of the Abattoir Commission, Mr H J L du Toit, said that to improve the turnover of expensive, newly-built country abattoirs, a levy would be placed on meat sold in butcher shops that had been slaughtered in other towns with lower abattoir fees.

Inspectors would check to see that no one brought in meat from older abattoirs in neighbouring towns.

A spokesman for the Federation of Country Meat Traders said in Cape Town that the committee implementing the government's country abattoir policy consisted of two civil servants without a stock farmer or butcher as member.

This was "officialdom made almighty" in a "socialist" set-up, the spokesman said.

Concern at spending by control boards

(3 Control Boards)

ARGUS
4/5/82

Political Correspondent
CONCERN at the large amounts spent by certain control boards on the erection of administrative buildings has been expressed by the parliamentary select committee on public accounts.

The Wheat Board is one of the examples the committee deals with in its latest report which has been tabled in Parliament.

From questions put to Mr D F de Villiers, deputy general manager

of the board, it emerged that a new building estimated to cost R5,1-million in 1974 would now cost in the region of R10-million when completed and that it would have one storey less than in the original plan.

It took from 1974 to the end of 1979 to get Government approval for the erection of a new building.

Mr De Villiers said this was mainly due to the anti-inflation campaign.

After scrapping a

storey from the plans the tender price came to R6,86-million but the estimated final price would now be in the region of R10-million.

It was pointed out to Mr De Villiers that, with a staff of 150 whites, the board was spending approximately R80 000 per employee to build a new building.

He said the building included an experimental mill and a modern laboratory.

Uproar over Wheat Board building plan

(3) Control Board's
R.D.H. 5/5/42

By MAURITZ MOOLMAN

THE Wheat Board is building a R10-million administrative building in Pretoria which has three times more space than the board needs.

This was disclosed yesterday by Mr Harry Schwarz, Progressive Federal Party spokesman on finance, who described the expenditure as a "shocking wastage of public money".

And the parliamentary select committee on public accounts, of which Mr Schwarz is a member, criticised the Wheat Board in a report tabled in Parliament on Monday.

The building is being erected on the corner of Proes and Hamilton Streets in Pretoria.

Six storeys high with two parking basements, a laboratory and a mill, the Wheat Board headquarters will have 20 000m² of floor space, 15 000m² more than the board needs.

At present the Wheat Board owns only 4 400sq m of floor space in Church Street.

Mr Schwarz said he told the Wheat Board he was shocked, and the public would be shocked to hear these facts.

The Wheat Board told him that they planned to fill the space by expanding as consumers increase.

At the same time building costs increased from an estimated R5 100 000 in 1974 to R10-million when finished later this year.

Building was delayed when the plans were drawn up in 1974 in an "anti-inflationary campaign" but when it was approved in 1979, costs had escalated to R6 800 000.

The board admitted they would have tried something else had they known in 1974 that building costs eventually would come to R10-million.

Mr Schwarz also criticised the Wheat Board in the way it

handled the selling of its present building

"They offered the building in 1974 to the Pretoria City Council for R1 070 000 which the council refused

"In 1978 the City Council offered to buy it for the same amount but this time the board refused

"They plan to let the office space, which is not their business," Mr Schwarz said.

Mr Dennis Van Aarde, the manager of the Wheat Board, said the Wheat Board originally planned a seven storey building.

Special attention had to be given to the architectural appearance as the building was being erected in a specially rezoned residential area.

"I can give the assurance that we will not go in for filling available space with personnel but we have planned for the next forty years".

Kingpin of maize realm transformed an industry

6/5/82 Star
 (3) Central Boards

Own Correspondent

In one year Mr Crawford von Abo has transformed the Maize Board from a Government agency into a marketing organisation selling maize in a most businesslike manner.

His approach was clear: the National Maize Producers Organisation should function as the Maize Board's holding company, taking major policy decisions but leaving the Maize Board to run the show.

Quite a show, in fact. With an annual turnover in excess of R2 000 million, this is one of South Africa's largest money-making concerns.

The general manager of the South African

The announcement of a 15.9 percent maize price increase by the Minister of Agriculture, Mr Pietie du Plessis, has brought the Maize Board's dynamic chairman, Mr Crawford von Abo (right), sharply into focus.



Railways quickly realised what had happened. Speaking on maize transport and harbour development, he addressed last month's Nampo congress as though he were addressing the board of Anglo American.

He outlined options,

gave figures on costs and capital investment required in each case and explained the Railways' asking price for service.

The Minister of Agriculture, Mr Pietie du Plessis, had not been as quick. He came to last week's Maize Board meeting expecting

merely to announce a final maize price and soothe farmers' aches in the way he was accustomed to doing as a politician.

Instead, he was confronted by a group of hard-headed businessmen who politely fought him every inch of the way.

In the end, Mr von Abo sent him back to the Cabinet for fresh instructions.

The fertiliser sellers also found Mr von Abo friendly but often unyielding. Only the best bargain for the hard-pressed maize farmer is good enough for him.

Mr von Abo's family, which is of Baltic origin, has been farming in the Bothaville district for generations.

Having lost his father when he was 16, he had to take over the family farm from his grandfather on the day he matriculated from the Hoer Volksskool in Potchefstroom.

Eventually he found himself ploughing 6 000 ha for maize and farming with tobacco, cotton, cattle and sheep as sidelines.

He was born in 1934. He married Miss Bibi van der Merwe. His son Pieter is in his final years of an LLB course at the University of the Orange Free State. His daughter Dorette, who is married, is studying law through Unisa. She already has her BComm degree.

African Garment Workers Union (Natal)
 African Leather Workers Union (Transvaal)
 African Trunk & Box Workers Union
 Black Allied Workers Union
 Garment Workers Industrial Union (Natal)
 Garment Workers Union of South Africa
 Garment Workers Union (Western Province)
 General Workers Union
 General Workers Union of South Africa
 National Union of Clothing Workers
 National Union of Leather Workers
 National Union of Textile Workers
 South African Allied Workers Union (SAWU)
 S.A. Tanned & Pans Workers Union

Textiles, Clothing, Leather and Footwear

African Tobacco Workers Union
 National Union of Cigarette & Tobacco Workers
 Rustenburg Tabakwerkersvereniging

Tobacco

Sweet Workers Industrial Union (Natal)
 Sugar Industry Employees Union
 South African Allied Workers Union (SAWU)
 S.A. Boilermakers, Iron & Steelworkers, Shipbuilders and Welders
 S.A. Electrical Workers Association
 Western Province Sweet Workers Union
 Witwatersrand Baking & Confectionery Industrial Union
 Witwatersrand Brewing Employees Union

Empire-building: the Wheat Board replies

I REFER to your leader of yesterday and suggest you publish the following to correct the distorted picture created among your readers regarding the Wheat Board:

In the last paragraph you refer to "shameless empire building" while there is a shortage of storage facilities for wheat.

This statement not only reflects your total ignorance regarding the control system which you so enthusiastically attack but also the erection of bulk storage facilities. Government loan funds, which are allocated and administered by the Grain Silo Committee and Landbank respectively, are made available to agricultural cooperatives for the erection of bulk storage facilities.

It is, therefore, not the responsibility nor the function of the Wheat Board to provide funds or facilities for the storage of grain. In comparing the current season's record wheat crop of 2 200 000 tons with the available 13-million tons of bulk storage facilities, I must reject your statement that there is a shortage of storage facilities for wheat.

If the Wheat Board's registration policy is responsible for the creation of monopolies in the milling and baking industries in South Africa, then why has the same tendency manifested itself in the UK, the US and other overseas countries?

Is the Wheat Board also

responsible for this tendency in the non-controlled industries such as the barley malting and brewing industries, the explosives industry, the brick industry and many others? Do you regard the baking industry in South Africa to be monopolistic when there are seven large groups with an 88% share of the market and the balance in the hands of more than 130 privately-owned bakeries?

In the past your paper has held the Wheat Board responsible for poor quality bread supplied by the industry, yet when the board provides the necessary facilities to improve and monitor wheat, flour and bread quality, you maintain that quality control should in fact be the responsibility of the industry itself.

The board's technical services section has for many years been involved in the constant testing and quality evaluation of bread, flour, wheat and the release of new cultivars. If the Wheat Board does not undertake this very important task who must do it?

Your inference with regard to what a marketing board does to free enterprise is not applicable to the industries under control of the Wheat Board. Would private enterprise be content with a 15% return on capital investment before tax? This is the margin allowed to the milling and baking industries since 1974.

With regard to your derogatory remarks on agricul-

tural marketing boards, I challenge you to name but one country in the world where its wheat industry operates strictly in accordance with the supply and demand principle of a free market system without any government interference, that is free enterprise by definition.

A few facts regarding the erection of a new Wheat Board building are appropriate:

1. The board was compelled to erect a new building as the City Council of Pretoria informed the board it intended expropriating the present property for a ringroad complex.

2. The erection of the new building was originally delayed at the request of the Government as part of the anti-inflation campaign.

3. To comply with Pretoria City Council regulations a minimum number of parking bays had to be provided for on the premises and all services had to be housed inside the building. As a result of this two basement floors and a service floor had to be erected.

4. One floor of the building comprises a quality testing laboratory for small grains. In the present building part of this complex is housed in outbuildings. This explains the apparent excessive larger area of the new building as compared with the existing building. — D F VAN AARDE, General Manager, Wheat Board, Pretoria.

1
r
2
B
A
e
d
h
e
t
A-

LETTERS

The Editor, Rand Daily Mail,
Box 1138, Johannesburg 2000

Bloom defends Wheat Board

186 *RDM* *12/5/82* *3* *Confront Boards*

YOUR editorial on the Wheat Board (RDM, May 5) does that body a grave injustice.

In its almost 40 years of existence the Wheat Board has done an outstanding job of balancing the interests of the consumer and the producer, and assisting in the development of a sophisticated and cost efficient milling industry by world standards.

For example, in the field of wheat production, the Board has played an important role in the research and development of new and high yielding varieties. They have acted as an essential consultative body for farmers to whom encouragement has been given to produce wheat.

Apart from the exceptional years in which climatic conditions have been unfavourable, South Africa is now in the fortunate position of being largely self-sufficient in wheat supplies. This was certainly not the case some years ago when large quantities had to be imported.

The advantage of being self-sufficient in this basic staple commodity, in an increasingly hungry world, is self-evident — and the alternative of having to approach a largely hostile international community for supplies, is clearly strategically unacceptable.

The consumer is represented on the board and without Government regulation and intervention (which your editorial criticised) would be far worse off.

Government intervention is responsible for the present subsidy of approximately R160-million a year — an intervention directly to the consumers' benefit.

And Government regulation is responsible for pegging the return on capital earned by the milling and baking industries at an obviously inadequate 15% a year on their historical capital.

In the totally free market which your editorial advocates, both these factors (the subsidy and the artificially low margins) would not be present, and in my opinion, the price of bread would have to rise substantially.

Finally, allegations of monopoly in the milling and baking industries are simply emotional nonsense — participants in the milling industry include, in addition to my own group, Tiger Oats, Fedfood, Anglovaal, Sasko and Bokomo. All of these are large, financially powerful and aggressive concerns — a more competitive environment is hard to imagine.

Unfortunately the artificially low margin on standard bread has tended to reduce the numbers of people producing this type of bread.

In the baking industry generally, however, there are literally hundreds of small bakeries and confectioners who produce a wide range of goods and services for the public.

True, the big plant bakeries tend to be dominated by the large corporations, but when one bears in mind that the cost of erecting such a bakery in Johannesburg today would not be less than R7-million, it is not surprising that individuals do not enter the industry. The blame for this can hardly be laid at the feet of the Wheat Board.

While my group has often disagreed vehemently with some of the policies of the Wheat Board, we have always accepted that they act *bona fide* in the interests of all concerned.

Their officials are courteous, prepared to listen to alternative viewpoints, and their conduct is characterised by the highest integrity. I believe that your editorial was very unfair. — TONY BLOOM, Chairman, The Premier Group Limited, Johannesburg.

Loan of R27 000

E. Post 17/5/82

'not authorised'

3 Control Boards Political Correspondent ~~Erasmus~~

CAPE TOWN — The Auditor-General has discovered an unauthorised loan of R27 000 to a staff member of the Cotton Board for participation in a new car-financing scheme. But the manager of the board, Mr E Erasmus, seems a little surprised.

In his report on the accounts of the Cotton Board between March 1, 1980, and February 28, 1981, the Auditor-General said the loan had been disallowed by the Department of Agriculture and Fisheries because the official concerned did not qualify. The loan was therefore being regarded as unauthorised.

Approached for comment, Mr Erasmus, head of the 11-man Cotton Board staff, said it was the first he had heard of the loan and he would have to get the Auditor-General's report before he could comment.

Mr John Malcomess, MP for Port Elizabeth Central and a member of the parliamentary select committee on public accounts, said today he was astonished by Mr Erasmus's statement.

935

FRIDAY, 28

in terms of regulations relating to overstocking under the Soil Conservation Act during the latest specified period of two years for which figures are available; if so, (a) how many and (b) what was the nature of the offences committed?

†The MINISTER OF AGRICULTURE AND FISHERIES:

Yes.

- (a) 1980-'81 One.
- 1981-'82 One.

- (b) Continued contravention of a direction regarding overstocking under section 3(1)(j) of the Soil Conservation Act, 1969 (Act No. 76 of 1969) in each case.

& Furriers Industrial Union

orkers Union

on

(al)

rades I

Union

ng Furni

Allied

s Union

s Union

Union

nting &

n of Sol

South

Union

steeltwor

ociation

- (2) whether officials of the Board (a) authorized the loan and (b) signed the (i) cheque or (ii) authorization for the funds to be paid over; if so, what are the names of such officials in each case;

- (3) whether any action has been taken in regard to the matter; if so, (a) when and (b) with what result?

†The MINISTER OF AGRICULTURE AND FISHERIES:

- (1) Yes

- (a) Manager of the Cotton Board

- (b) Same position.

- (2) (a) No—the loan was authorized by the Executive Committee of the Cotton Board.

- (b) (i) Yes—Messrs. D. J. Erasmus and D. C. Matthysen

- (ii) Yes—same as under (2)(b)(i)

- (3) Yes—after a decision that the post of Manager of the Cotton Board did not qualify for the motor financing scheme applicable to certain officers of control boards

- (a) 15 January 1982.

- (b) The capital amount has already been repaid and interest and certain allowances are being repaid monthly.

Soil Conservation Act

*8 Mr. R. W HARDINGHAM asked the Minister of Agriculture and Fisheries

Whether any farmers were prosecuted

28/5/82
 Cotton Board: loan to official
 Hansard Q. Col. 933 - 934
 *7. Mr. D. J. N. MALCOMESS asked the Minister of Agriculture and Fisheries:

- (1) Whether a loan of R27 068 was made to an official of the Cotton Board in the 1980-'81 financial year if so, what position (a) was held by such official at the time and (b) is held by him at present:

- Sweet Workers Industrial Union (Natal)
- Sweet Workers Union
- Sugar Industry Employees Union
- South African Allied Workers Union (SAAWU)
- S.A. Boilermakers, Iron & Steelworkers, Shipbuilders and Welders
- S.A. Electrical Workers Association
- Western Province Sweet Workers Union
- Witwatersrand Baking & Confectionery Industrial Union
- Witwatersrand Brewing Employees Union

Maize Board's ^{(2) Maize} swop policy 'a ^{(3) Control boards} threat to ^{29/5/82} economy' ^{Mercury}

Agricultural Correspondent

THE Maize Board's new policy of swapping maize for fertilizer or other agricultural goods could have a serious effect on the country's economy and could destabilise the agricultural industry, according to a highly placed source in the South African Agricultural Union.

He said the National Maize Producers' Organization (Nampo), which represented about 7 000

farmers, could expect other sectors of the agricultural industry to demand the right to import agricultural goods which were cheaper overseas.

The fruit, dairy and wheat industries could also lower their production costs if they were allowed to import fuel, tractors, spares, herbicides and fertilizer; however this could have a negative effect on the economy.

He said it was normal

practice for any Government to protect strategic industries for the first couple of years and then to diminish the protection gradually.

He said it was vital for the country that more industries be developed to create more employment.

The Atlantis diesel engine project in the Cape was one such project, he said.

If imports were allowed because they were cheaper than the locally produced goods, then it would only mean that maize might be sold a few rands cheaper a ton.

But the country would be left poorer without the benefits derived from local industries.

He said that over the past couple of years Nampo had not received the prices for maize that it wanted.

According to the source farmers had been promised between R180 and R200 a ton.

'Now they have to explain to the farmers why they could not manage to do this.'

Realistic

Nampo had used the excuse that soaring production costs were to blame for the farmers' plight.

'Nampo is now telling the Government to pay them what they believe is a realistic price, or to allow the industry to import some of their agricultural inputs,' he said.

He told the Mercury the Government had already been unable to withstand Nampo pressure by allowing them to import 208 000 tons of urea in exchange for maize.

Officers of control boards: motor financing scheme

③ Control boards *Hansard*
4/6/82 Q. 61974 - 975
 *4 Mr. D. J. N. MALCOMESS asked the Minister of Agriculture and Fisheries:

- (a) What is the maximum amount that may be loaned to officers of control boards in terms of any motor financing scheme applicable to such officers, (b) what interest is charged, (c) what are the conditions of repayment and (d) what officers are entitled to utilize this facility?

†The MINISTER OF AGRICULTURE AND FISHERIES:

There are two schemes, of which the particulars are as follows:—

Car Loan Scheme

- (a) R10 000.
- (b) The Land Bank's interest rate on annual investments on the date on which the loan is granted.
- (c) Repayment over a period of 48 months.
- (d) Only officers who, in the opinion of the Board, would use cars to such an extent in the service of the Board that the purchase thereof is not only justifiable but also in the interest of the Board.

Car Financing Scheme (as for senior officers in the Public Service)

- (a) Maximum amount which may be borrowed: →

975

FRIDAY, 4

Salary per annum	Amount of loan
R38 220	R24 900
R33 660	R17 600
R30 255	R13 000

- (b) Interest rate as fixed from time to time by the Treasury (8% at present).
- (c) Repayment over a period of 48 months.
- (d) Only officers in receipt of a salary equal to or higher than that of a Director in the administrative division of the Public Service (R30 255 per annum at present).

Who really benefits?

Our agricultural control boards are often depicted as financial sinkholes. Superficial criticism by people who don't understand the issues at stake has created an impression of vast, amorphous bureaucracies productive of nothing but red tape. This image has been re-inforced by the defenders of intervention and by the boards themselves, which claim that their main function is to ensure stability and pretend that their total cost to society is embodied in the bill for administrative expenditure.

In consequence, much time and space is wasted on peripheral debates. Farmers and consumers argue inconclusively whether the Maize Board, the Dairy Board and the Chicory Board have or have not secured stability or caused instability in their respective industries. Ministers remind us repeatedly that the administrative costs of the 22 boards put together amount to only 0,5% of the value of the production they control and the *Rand Daily Mail* writes an editorial bemoaning the fact that the Wheat Board is currently spending R10m on a new office block. All of this hot air ignores or overlooks the two central issues.

First (as the Free Market Foundation's Leon Louw has pointed out), the boards do not control products, they control people. And second (as every agricultural economist who doesn't actually work for a control board will tell you), the main functions of the boards are redistributive. They transfer payments and distort trading patterns. They put money, power and business into the hands of people who would otherwise not have earned them. If commentators could focus debate on those two points, they could drop the hyperbole and concentrate on real issues.

The key question in respect of each policy of each control board must be: is the national sacrifice in terms of loss of free-

dom warranted by the benefits to society of the transfers effected? Those who put a high price on individual liberty would doubtless give a flat "no" in every case. They have a strong case. But they are still a minority.

The rest of SA is traditionally conservative and it needs more information before it can be expected to make up its mind. It is high time we were told flatly and unequivocally who is being subsidised by each board, by how much and at whose expense.



Bloom ... surprise defender of the board

Fearing even more criticism than they already bear, the control boards have never addressed themselves to this question. Or, if they have done, they have not disclosed the answers. Forty-five years after the passing of the Agricultural Marketing Act, those who administer it still flounder in the dark.

It is to be hoped that information of the sort required will soon start emerging from the agricultural policy research unit which was established last year under Professor Lieb Nieuwoudt at Natal University. In the meantime, your best guide as to who benefits from control may be to watch who jumps fastest to the defence of the boards when they come under attack.

Having recognised the boards as instruments for the redistribution of wealth, we should pay particular attention to those policies which are guarded most fiercely by interested parties who are well enough shod to stand on their own two feet. It may not be without significance, for instance, that the Egg Board's support price system and permit schemes have long been lauded by the biggest producers and abhorred by the smallest. There is a strong body of opinion which sees the Egg Board as little more than a protection racket run for (and, at one time, by) subsidiaries and affiliates of the big milling companies.

Can anyone recall the last time an egg consumer (any egg consumer) or a tea-room (any tea-room) voiced support for this particular board? Who defends the Meat Board? The co-operative livestock agents and their suppliers? Yes. The private agents and the farmers who sell through them? No. The big meat wholesalers? Yes. The small retail butchers? No.

Who sprang to the defence of the Wheat Board after that editorial about its new office block in the *RDM*? Tony Bloom, of

NOTE CAREFULLY

1. Enter at the top of each page and in column (1) of the block on this cover the number of the question you are answering.
2. Blue or black ink must be used for written answers. The use of a ball point pen is acceptable. Red or green ink may be used only for underlining, emphasis or for diagrams, for which pencil may also be used.
3. Names must be printed on each separate sheet (e.g. graph paper) where sheets additional to examination book(s) are used.
4. Do not write in the left hand margin.

WARNING

1. No books, notes, pieces of paper or other material may be brought into the examination room unless candidates are so instructed.
2. Candidates are not to communicate with other candidates or with any person except the invigilator.
3. No part of an answer book is to be torn out.
4. All answer books must be handed to the commissioner or to an invigilator before leaving the examination.

Any dishonesty will render the candidate liable to disqualification and to possible exclusion from the University

Premier Milling. In his letter to the editor (May 12), Bloom claimed that "in its almost 40 years of existence the Wheat Board has done an outstanding job of balancing the interests of the consumer and the producer and in the development of a sophisticated and cost effective milling industry by world standards."

Although his group has often disagreed vehemently with some of the policies of the Wheat Board, he said, it has always accepted that they act *bona fide* in the interests of all concerned. Try that one on a tea-room. The only vehement disagreement with the board which Bloom displayed in his letter concerned the pegging of returns to the milling and baking industries at 15% a year on their historical capital. Bloom says this is "obviously inadequate."

A perusal of public statements made by his major competitors would suggest that he is not alone in that opinion. But how can it be reconciled with the fact that the Wheat Board is still turning down applicants for bakery licences or, indeed, with Bloom's contention that it is hard to imagine a more competitive market?

Over the telephone, Bloom answered that query by saying that the board risks raising the average cost of a loaf if it grants too many licences or allows entry to people without the right experience. He contends that measures like that and the R160m consumer subsidy which is channelled through the board are responsible for giving SA cheap bread. Without them, he claims, the price would rise to between 60c and 80c a loaf and he would "make a hell of a lot more money."

Nieuwoudt says he is not against the principle of food subsidies for needy people and he agrees that the Treasury helps keep the price of bread down. But he says it is misleading to refer to it all as a consumer subsidy. Some of the benefit undoubtedly ends up in the pockets of the producers and the middlemen. Whether the producer or the consumer gains most is dependent on the relative elasticities of supply and demand and the ratio of the domestic wheat

price to the international one.

The data his unit has obtained so far suggests that the producers and consumers have been sharing more or less equally in the spoils since it has been possible to land foreign wheat in SA at prices below those paid to local producers in all but four of the last 30 years. If the board protects existing bakers and millers from competition through withholding licences from would-be competitors, it is undoubtedly bestowing monopoly profits upon them, says Nieuwoudt. He cannot at this stage give any measure of the magnitude of their undeserved rake-off. There is evidence of a concentration of power in the milling industry — 55% of flour production is controlled by 10 milling companies, of which six are largely in the metropolitan areas.

The R160m subsidy also serves to distort consumption patterns by encouraging people to substitute bread for other bulky foods like maize and potatoes. Is this in the national interest at a time when we are selling surplus maize at a loss on a glutted

world market, yet having to hold our wheat price high in order to struggle for self-sufficiency? Nieuwoudt does not think so. Nor do the majority of our maize farmers.

In the circumstances, it must be severely questioned whether the R160m subsidy is going to the right people or achieving the right ends. Altruists who emotionally defend it on grounds of sympathy for the poor, should note that the really poor people of this country don't benefit because they live in rural areas and seldom, if ever, purchase bread.

Politicians who defend it on the assumption that it helps to defuse urban unrest may not realise that the subsidisation of bakers' bread (bought and eaten chiefly in urban areas) makes the drift to town even more attractive than it would otherwise have been.

The R160m subsidy could doubtless achieve more equitable results if it were put directly into the hands of the poor and elderly via black pensions or other welfare payments.

Control Boards (change) (105) J. Dispatch 3/8/82

Ciskei board sets maize prices

KING WILLIAM'S TOWN — The Ciskei Marketing Board has announced new producer prices and marketing arrangements for maize grown in Ciskei.

According to a statement released yesterday the gross price per ton of white maize grade one is R175,05, and the net pro-

ducer price per 70 kg bag is R11,90. The gross price per ton on grade three is R167,45 and the net producer price per 70 kg bag is R11,38.

For grade one yellow maize the gross price per ton is R175 and R173,60 for grade three. The net producer price per 70 kg bag is R11,90 for grade one and R11,80

for grade three. The levy per ton for all grades is R5.

The board said all shelled maize delivered to the board would be subject to the same standards of grading and acceptance which applied in South Africa.

To assist the rural producer to market maize,

collection points would be identified in consultation with Department of Agriculture and Forestry officials in each district. Producers would be able to deliver their maize to these points on specified dates.

On the day of collection a board marketing team would visit the

area with a lorry, scale and proper bags for those farmers who might not have any.

Farmers intending to use the prescribed marketing scheme were requested to contact their local agricultural extension officers or the board's marketing officers. — DDC.

③ control boards
AGRICULTURE ~~Sheet~~

Fruit punch-up

Fm 13/8/82

Some avocado exporters are beginning to view the Citrus Board (CB) as a threat to their livelihood. The reason, they say, is that an export company of the CB's marketing arm, the SA Co-operative Citrus Exchange (SACCE), is moving into their

territory.

The company, Prodex, was created in 1978 to export uncontrolled non-citrus perishables. Its turnover is now about R7m/year, most of which comes from its 30% share of the annual R21m avocado export market. It also handles other non-controlled agricultural items such as litchis, mangoes, cherries and asparagus.

Says Tom Snoek, deputy MD of export company F R Waring, which has about 45% of the avocado exports: "The control boards seem to be extending their empires at a time when the Prime Minister is calling for greater free enterprise. The CB was created by statute to serve certain farmers and not to encroach on other areas

"We have worked for many years to create our market abroad and it is unfair that a body such as Prodex which relies on the backing of the CB, can take it away. If the citrus people want to move into other markets, they must let us into theirs. It is an eye-for-an-eye situation."

Some smaller exporters who have already started feeling the pinch met last week to discuss the problem. But so far they see no solutions.

Says Arend Venter, initiator of Prodex and assistant GM of SACCE: "Numerous producers have asked SACCE over the years to start Prodex. It was a good way to let farmers make use of our existing operations. And it enabled us to make further use of the facilities and infrastructure of SACCE, which were underutilised at certain times of the year."

As Prodex uses the same administration and selling agents as CB marketer SACCE, some exporters believe the control board influence will start creeping in.

But Venter emphasises that, although there is a link with the CB, there is no possibility of the subsidiary ever working as a board.

"Although Prodex was started with SACCE money, it is now financed entirely by commercial banks and not the Land Bank," he says. "We do not use citrus growers' money. Producers remain free to choose their own exporters and we appreciate that competition. Farmers will go to us one year and somewhere else the next year. But if our services and results are good, why shouldn't they come to us?"

COMMERCIAL VENTURE

~~(7/2/52)~~
~~(7/2/52)~~
Egg heads
to discuss
exports ^{Control} ^{Board} ^{82.}
to Taiwan

By GEOFFREY ALLEN

THE Egg Control Board and members of the Egg Producers Co-operative are meeting in Pretoria this week to discuss developments in the market.

It is understood that one aspect they will discuss is the export of brown eggs to Taiwan as pulp and egg powder.

The meeting comes amid consumer controversy over the high price of eggs when the board has confirmed it is holding a surplus of more than 1,000,000 eggs against possible market fluctuations.

A spokesman for the Consumer Council said yesterday neither the export of eggs nor the surplus held by the board would affect current high prices.

He said it was producers, not the Egg Board, who set the price.

"The eggs being produced at present are small and there is little demand for them in South Africa, so the board is considering exporting them in various forms to Taiwan. But that would not push up the price to the local consumer," he said.

Because the board was bound to buy all eggs produced, it would be obliged to buy and hold the eggs which it now intended to export.

"It doesn't make sense to buy in vast quantities and just hold them," the Consumer Council spokesman said.

Mrs Yvonne Foreshaw, of the Housewives League in Johannesburg, said her organisation accepted that the board usually held up to 8,000,000 eggs — about 4% of total production — to hedge against violent market fluctuations.

"Our argument, however, is that there is such a surplus because eggs are either over-produced or over-priced," she said.

"We say that they should cut down the price and reduce the surplus."

INSIDE MAIL

HOT on the heels of the recent congress of the Maize Producers' Organisation (Nampo), another important report into the maize industry has recommended the freeing of the industry from its controls.

The report by SA Farm Consultants was commissioned by the Association of Chambers of Commerce of South Africa (Assocom). It calls for various steps to be taken to help correct many of the anomalies in the South African maize industry.

- The consultants recommend: The lifting of restrictions on the importation of maize.
- The withdrawal of the regulatory powers of the Maize Board and dropping restrictions on the sale of maize.
- The establishment of an independent body, with equal representation of producers and consumers, which could determine the floor price of maize.
- An investigation by the Minister of Finance into maize subsidies for different income groups.

Many of the ideas are controversial and Assocom prefaces the report by stating that its views do not necessarily reflect those of the association.

The background to the "maize row" essentially revolves around the fact that maize forms the staple diet of many of this country's poorer people. It is at the same time, more expensive in South Africa than on the world market.

Although a foreign exchange earner, maize is exported at a loss and is produced by a very powerful lobby of about 7 000 farmers.

Over the past 25 years maize production has increased from less than 4 million tons a year to about 10-million tons which are planted on about 4 500 000ha, mainly in the Kroonstad area.

Maize income represents about 25% of the total income of South African farming — although a severe drought in a year can reduce this percentage by 30%.

Domestic consumption of maize has risen from 5-million tons in 1970 to 6-million tons today and is about equal to

Free the mealies, call grows louder

Control Boards
18/8/82
COM

PAT SIDLEY reports on a study of the maize industry commissioned by the Association of Chambers of Commerce.

animal consumption. This is an unusually high ratio.

The world maize price is lower than the South African domestic price — maize sells here at R150 a ton and in the United States at about R125 a ton.

But, the report says, imported maize would still cost 25% more than the domestic price after it had been landed in the country.

Around 4-million tons of maize are exported annually. The value in 1977/78 for exports was R370-million which rose in 1979/80 to R540-million. If last year's record crop could have been moved out of the country, it would have been worth R900-million.

The report says agricultural control systems in South Africa are similar to those in socialist countries. It adds that State intervention in agriculture in this country should only be justified in such exceptional cases as droughts or floods, and for keeping strategic areas like the Northern Transvaal populated.

"It is difficult to perceive any of these justifications for State intervention applying to the maize industry in general," says the report.

At present State intervention in the maize industry has two effects:

- It inflates the prices that farmers have to pay for many items used in the production of maize.
- It sets a price for the consumer which

is undoubtedly higher than the free market would have established.

The report claims that if price control were to be lifted — which is unlikely — prices would rise only initially.

Such a move would have to be accompanied by the elimination of import controls and protected prices for items such as fertilizer and chemicals.

Maize at present has a subsidy and the report agrees that while subsidies may be necessary, it is unfair to subsidise those who can afford it.

It unequivocally says that the State, and not the consumer or producer, must bear the cost of all subsidies.

The report comes down heavily on protection.

South African farming, it says has suffered severely as a result of protection over the past decade.

Although some farming produce may suffer from a free market, the maize producer should have nothing to fear from a free market.

The report says about 62% of the costs of producing maize is accounted for by commodities which are subject, either wholly or to some extent, to price control.

The main items are fertilizer, chemicals, fuel and capital equipment.

The report endorses such moves as the recent banter of foreign fertilizer for South African maize — a move which has been opposed by the fertilizer industry.

"One ton of maize has apparently been exchanged for 1,04 tons of urea (fertilizer) valued at R355, which represents a very healthy price when compared to other export sales which are averaging no more than about R116 a ton," says the report.

After all the costs have been taken into account there will still be a profit for the maize farmers and the fertilizer industry which, despite its pleas to the contrary, will not be losing money this year.

The report says objections to the banter provided "an excellent example" of "too many controls coming home to roost".

"The correct procedure for the Government to take would be to free the fertilizer trade immediately from all forms of control — prices, import licensing, provision of subsidies, stinging of plant and probably also the de-nationalisation of Phoskor ... a similar procedure could well be followed for farm chemicals, both plant and livestock," the report advocates.

The report envisages no changes in the use of maize.

Giving figures on major users of maize, the report argues that if the SA price of maize were to drop to the US price, this would reduce the cost of a chicken by about 2c to 3c a bird, saving about R1 500 000 a year to a producer of 1-million birds a week.

A 10% drop in the maize price would reduce the price of eggs by 2c a dozen — but would not increase consumption at that price level.

The only area where a significant price reduction would make a difference would be in the dairy industry where a 20% decrease in price, with all other inputs constant, would stimulate the consumption of milk and dairy products — which are worldwide in a decline.

For beef production, where maize is used on feedlots, the report notes that the maize price has little effect on price decision-making, but feedlot owners could benefit from lower prices.

"As far as the consumption of maize by livestock is concerned it appears unlikely that reduction of maize prices to a so-called 'export parity price' would have any measurable effect on the total volume of maize consumed.

It would benefit milk producers and milk consumers and could well provide a much needed boost for a depressed industry. Consumption of other livestock products would not increase appreciably in the short term but lower prices to the consumer would be to the advantage of the country.

Maize consumption peaked at about 3-million tons in 1980/81 but dropped by 6-7% in 1981/82.

A small amount of maize is used in "industrial consumption" but about 2 600 000 to 2 800 000 tons is used for "animal consumption". This figure includes farmers' rations for their workers on the farms.

About half the 2 800 000 is used by the Balanced Feed Industry for resale to livestock farmers.

The remaining 1 400 000 tons "less the unknown quantity used for feeding labourers" is used for feeding livestock on the farms on which maize is grown.

If the price of maize dropped, the feed industry would not use more maize as the amount of maize in the feed mix does not depend on its price.

~~Maize~~ ²⁰¹⁴
^{Control Boards} ^{19/8/82}
Maize controls will remain — Minister

Pretoria Bureau

THE lifting of controls in the maize industry was unacceptable, the Minister of Agriculture, Mr J J G Wentzel, said in a statement in Pretoria last night.

In a sharp response to an agricultural report on the maize industry published earlier this week, the Minister stated: "I'm not prepared to lead the mealie industry back into the chaos in which it was placed before the Marketing Act was passed in 1937."

The report, by Assocom, had recommended the freeing of the industry from controls.

It also recommended the lifting of restrictions on the importation of maize, withdrawal of the regulatory powers of the Maize Board and dropping of restrictions

on the sale of the crop.

Mr Wentzel said last night the mealie industry had grown under the Marketing Act into the important industry it was today.

The growth value of the crop during 1980/81 ran to R1 700-million. Mealies worth R640-million were exported and earned South Africa valuable foreign currency.

Any disturbing of the industry could have a disruptive influence on the rest of the economy, he said.

However, Mr Wentzel said the time had apparently come to look again at the marketing regulations for mealies.

He said he had instructed the National Marketing Council to investigate the present control regulations on mealies, including the price fixing method

Wentzel: ^{Control Boards} control boards a sensitive issue ^{D. Pishatch} 19/8/82

EAST LONDON — Organised agriculture in South Africa would have to prove that the control board system in the country was not a measure dividing consumers and producers, the Minister of Agriculture, Mr. Greyling Wentzel, said here yesterday.

Mr. Wentzel said the control board system was a "sensitive issue" and the South African Agricultural Union would in months to come become involved in a "very big" political debate already started in the country.

"The farmers will have to prove that control boards are a measure to bring consumers and producers closer," he said.

Studies had shown that 20 per cent of the country's producers were responsible for producing 80 per cent of food.

"We must of course look after all farmers, but we are more concerned about the 80 per cent who only produce 20 per cent," said Mr. Wentzel.

Earlier, in his presidential address at the annual congress of the Eastern Cape Agricultural Union, Mr. Fred Pettit said some sections of the farming community "seem to be falling for the anti-control board propaganda".

"Control boards were

born out of need to eliminate or reduce the ill effects of ups and downs in prices and quantities produced — in other words to bring some measure of stability in prices and quantities produced," he said.

This, said Mr. Pettit, was clearly in the interest of both the farmer and the housewife.

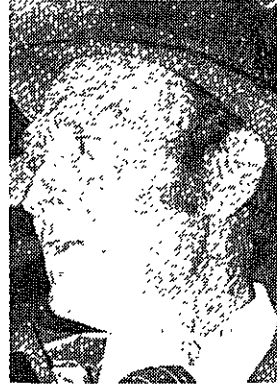
Comparing price increases of controlled commodities with uncontrolled commodities during 1980, Mr. Pettit said it was clear that the control boards were keeping prices down, and the consumers were not justified in their complaints.

"The consumer claims that the control boards are the cause of high prices and the economists argue that under a free economy (no control boards) the forces of supply and demand will effectively determine prices and thereby regulate supply to what the market needs.

"The economists are right, but in farming the forces of supply and demand do not always, or necessarily, work efficiently in the interests of all concerned."

The reason for this, said Mr. Pettit, was that with most products adjustments in the quantity produced were medium or long term.

And there is no guarantee that the decision of a large number of farmers reacting independently to a surplus situation will result in the correct amount of decrease by the time they have reduced their production — and vice versa, of course," he said. — DDR



MR PETTIT

CAPE TOWN 21/8/82 (3 Control boards)

Control boards are 'ignoring consumer'

Staff Reporter

AGRICULTURAL control boards ensured economic viability for the producer but ignored the interests of the consumer, the head of the Department of Economics at the University of the Witwaters-

rand, Mr D J J Botha, said yesterday.

Giving evidence before the economic affairs committee of the President's Council in Cape Town, Mr Botha said agriculture offered an example of both positive and negative State intervention.

He said the large num-

ber of agricultural control boards owed their existence to the malfunctioning of the price mechanism in agriculture during certain phases of the business cycle. They were introduced in an effort to promote stability, particularly price stability, in this sector.

"The boards have been singularly successful in promoting their special interests. Against this, however, stands the well-founded criticism that they are producer-oriented and that they cannot properly safeguard the interests of consumers because of the almost complete absence of any effective opposition to pressures for price increases," said Mr Botha.

This was a long-standing argument constantly ignored by the authorities.

"It is widely recognized that some kind of control is necessary in the case of agricultural produce, for example a floor price system. But our producer-dominated boards have gone too far."

In reply to a question, he said there would be room for a floor price system that was determined by the cost factors of the area most suitable for the production of maize. The only reason maize was farmed in some areas was because the control board made it economically viable for them.

'IT'S BREAD, 3. Future BOARDS AND 3/10/82 PRICE FIXING'

about. When I said bread, they told me that I had put the minister's back up because of the argument we had over eggs recently.

"They said I should submit a memorandum and they would then give me an appointment, they hoped it would be within the next six months.

"This is the government which asked for closer co-operation with the private sector. It was only when this whole thing was published in the Press that they agreed to see me.

"It is not only bread — this just happens to be the latest issue. They raised the price just after the increase in GST which was supposed to subsidise basic foodstuffs and after statements from Ministers that price wouldn't be raised.

"But there is a whole range of other things. There are agricultural control boards, there is price fixing, there are monopolies," Mr Ackerman said.

"I am not going to be treated like dirt by the Government. I've got great respect for Mr Horwood, who was my lecturer at UCT, and I'm not threatening. But if the Government carries on like this I'm going to start a Consumer Party.

"I don't really want to do it. Everyone knows that South Africa is at the crossroads politically and I'm actually one of an informal large group of businessmen working in a non-political way to bring the PFP and the Nats together.

"So I wouldn't really like to form another splinter party. But the consumer is largely ignored by all the political parties and

unless the Government changes its attitude I'll go ahead.

"In fact I've already drawn up a constitution for the party. It's with my lawyers at the moment."

Mr Ackerman denied he was simply using the bread issue to get mileage for his company in the Press and to bring customers to his shop.

"My business rests on four fundamentals: efficient administration, cheap and good merchandise, social responsibility and the realisation that as a businessmen I function in a community and I

have some responsibilities to it; and looking after the people I employ.

"If we just ignore what is happening in the community we will have unrest and we could easily destroy all the markets.

"Sure I'm in business to make a profit. There's nothing wrong with that. But we have to ensure there are markets to operate in."

For the six months ended in August Pick'n Pay turnover had climbed from R441.4-million to R566.2-million an increase of 28 percent.

The company paid R7.9-million in tax — an increase of 40 percent for net profits of R9.7-million.

Meanwhile, eighteen people were arrested in Paarl this week for protesting about the bread price increase. Placards reading "We are Hungry. Bring Prices Down" and "Low Wages High Prices" they marched towards the Sasko Milling Company. The 18 arrested will face charges in terms of the Riotous Assemblies Act.

R5m (3) Cotton cotton 5/10/82 subsidy D. R. Smith

PRETORIA — While resisting demands for import control on cotton goods from the Far East, the government is to subsidise South African cotton production.

In a statement issued here yesterday, the minister of Finance Mr Owen Horwood and Minister of Agriculture Mr P. T. C. du Plessis, said the price of South African cotton had not been increased since 1979.

Production had shrunk from 325 000 bales in 1980 to only 195 000 in 1982. Textile mills needed 340 000 bales and 145 000 bales would have to be imported.

The government had decided to pay cotton producers a subsidy of R5,5 million.

Cotton farmers said that because of the low prices for South African cotton, production would have dropped to under 100 000 bales in the coming season, causing a waste of foreign exchange of about R50 million.

A spokesman for the Textile Federation said the mills were at present running at below capacity because of imports from mainland China and other Far Eastern countries.

The industry could not pay economic prices to South African cotton growers as long as it was left exposed to dumping.

— SAPA.



Pig carcasses . . . awaiting a suspended subsidy

distort the market, he could not have succeeded better. As it is, the board has succeeded in making a laughing stock of itself — which is as it should be.

The best that can be hoped for is that the whole subsidy mess will prompt someone to take a careful look at the system of distributing and marketing meat in SA. If the whispers within the industry are to be believed, an investigation is overdue.

As it is, nearly everyone concerned with the failed (and now to be redesigned) R6m subsidy is blaming nearly everyone else for the fiasco.

Perish the thought that wholesalers deliberately pushed up lamb auction prices in order to profit from the subsidy. So, at least, say the wholesalers. In fact, an Imperial Cold Storage spokesman blames the Meat Board for trying to offload stockpiled frozen meat — thus setting up consumer resistance.

Not guilty, says Coetzee. Frozen stocks had only been released because demand had shot up too fast — hardly surprising when a subsidy is introduced.

In any case, says another board spokesman, it was not the intention to offload frozen beef, mutton and pork. "We can export it or sell it to the mines but as far as possible it will be kept away from the consumer," he says.

The mines, no doubt, will be interested to find that they do not rank as "consumers" and the FM understands their tough quality-control people are gearing up for a careful look at any special offers from the Meat Board.

Meat industry statements do, however, tend to be contradictory. The major problem is supposed to be the "on the hoof" surplus — yet frozen meat was released because "demand shot up too fast." At the

same time, the board was refusing slaughter permits because of "over-supply."

One can see, however, that the board has a problem. There are 27 000 beef carcasses, 25 000 sheep and 4 000 pigs in cold storage. In addition, 250 000 animals are waiting to be sent to market.

The board's answer to the situation was the subsidy — hastily introduced, then withdrawn in panic. Its new answer is apparently a redesigned subsidy. But, says Coetzee, consumers should not get caught up in "panic buying." They should buy in normal quantities and should shop around.

There are grounds for scepticism. Given the Meat Board's record, who is to guarantee there will be any meat at all next week?

FM 5/11/82
MEAT SUBSIDY ~~is meat~~

Done to a turn
③ Cont'd boards

If Meat Board GM Pieter Coetzee was a crypto-Friedmanite who had deliberately set out to prove by example that subsidies

Wool Board loan

Post 4/12/82
Business Editor

THE SA Wool Board has raised a R250-million Euro-dollar loan to finance its *voorskot* (advance) payments as well as the mounting level of unsold stocks.

Confronted by steeply contracting demand for South African wool, the board has set a precedent by side-stepping a relatively high-cost Land Bank loan (just reduced from 17,75% to 17,25%), and succeeded in raising the bridging finance on the European money market at 11%.

The need for the substantial loan should be seen against the background of assessments that lead to the board declaring a 7% higher *voorskot* payment at the season's opening on July 1.

For a variety of reasons the projected income has failed to materialise, forcing the board to become a borrower at around twice its normal financing levels:

● Demand is dramatically lower than anticipated.

In the four months to end-October, sales volumes were 44% down on last year's 18,7 million kilograms at 10,4 million kilograms.

● Prices have dropped.

Over the same period last year, the wool clip earned a total of R54,7 million at an average price of 292c/kg. Total income this year is down 40,8% to R32,4 million. Significantly, measured over the full four-month period, the average price is marginally higher

(6,5% up to 312c/kg). However, the price has dropped substantially in recent weeks and this week the price index was some 8% down on the closing levels of the last season.

● Exchange-rate fluctuations.

The board, in concert with its Australian counter-

part, maintains a floor level of 422 Australian cents a kilogram — holding in stock wool not sold. Unfortunately for South Africans, however, the Australian dollar continues to decline in value measured against the US dollar, while the rand has in recent months staged a recovery. This means an importer gets more Australian wool for his money, than South African wool — with the result that Australian sales are up to 70% of the wool on offer at each auction, while South Africa struggles to sell half its offerings.

Against this background the board was obliged to raise the substantial loan, but, says Mr Joe Strydom (director product marketing), the positive aspects of the loan are the substantial savings achieved on the interest rate, and the great faith demonstrated by the board in the recovery of the market once the international economy improves

No effect on sales, say Natal butchers

Meat subsidy gets cold shoulder from consumers

W. Pietermaritzburg Bureau

THE Meat Board's 20 c-a-kilo subsidy was re-introduced yesterday to a welcome from most retailers — and apparent indifference from most consumers.

First introduced in October to reduce a nationwide surplus of lamb, pork and beef, the board's subsidy backfired and was withdrawn after enthusiastic shoppers bought faster than the abattoirs could supply, pushing up prices higher than their pre-subsidy levels.

The new subsidy, which applies only to beef, is not paid directly to butchers and supermarkets, as before, but is used to lower the prices they pay for carcasses at the abattoirs.

Mr Raymond Ackerman of Pick'n Pay yesterday welcomed the reintroduction of the subsidy, particularly as it showed the board was trying to sell its surplus meat inside the country rather than abroad.

He also liked the method chosen to apply the subsidy, saying that while the first method had had much merit, it had not been properly planned.

However, he repeated an appeal made before the first subsidy had collapsed — for the board to consult more with big supermarkets, in addition to the retail traders' associations.

No response

Mr Ackerman said his chain would not only be passing on to customers every cent it saved at the abattoirs, but would be introducing ranges of lower priced products to 'show the public that this is more than just words'.

Spar had also dropped its prices at every outlet, but so far the public had not responded, the managing director for Natal, Mr Brian Beavon, said yesterday.

Mr Beavon said he put this down to a shortage of cash among consumers and to the fact that retailers had not 'played up' the promotion as much as before.

Little effect

A spokesman for butchers in the Pietermaritzburg area, Mr Alan Bulman, said consumer reaction to the cheaper meat yesterday had been 'nil'.

However, he predicted that the subsidy would have the desired effect in the long term 'if the board would just leave it alone'.

Butchers in Durban yesterday said that the latest meat subsidy appeared to have had very little effect on retail sales.

'There has been no marked increase in sales today at all.

'In fact, it's been just average,' said Mr Peter Gill, of Windermere Butchery in Morningside.

Mr John Craig, of Maryvale Butchery in Westville, said that his business had been very quiet yesterday.

'I haven't done any extra business at all,' he said.

(3) Control boards
Meat industry
S. Times 19/12/82
probe sought

By BEVIS FAIRBROTHER

CONSUMER associations say the merger between the giant co-ops, Vleissentraal and BKB, this week is a step closer to a monopoly of the already tightly controlled meat industry.

They say the merger has now made Vleissentraal all powerful among the "Big three" with a majority share of several sections of the industry.

Karoo Meats and Imperial Cold Storage virtually control the rest.

Despite co-op bosses' assurances that consumers will not lose out by this move, consumer association spokesmen fear it can only lead eventually to higher prices for meat — "Already a luxury product in South Africa for many".

The festive season move caught the consumer watchdogs napping, however, and they admit they have not probed its full implications.

But they have promised to launch immediate investigations and one of them, the SA Consumer Council, has called for an official inquiry.

Mr Jan Cronje, director of the council, said he was "much concerned" about the closer collaboration between the two giants.

"Whereas the advantages for producers are plain, it is doubtful whether consumers will enjoy the same," he said.

He felt the consumers would be reassured if the Competition Board were assigned to investigate the move.

Concerned

"We are aware that the meat industry falls beyond the sphere of the Competition Board but I can't help feeling this should change," he said.

Mrs Yvonne Forshaw, of the Housewives' League, was also concerned.

"But I don't know if anyone can do anything at this stage.

"It seems to be a 'fait accompli' and co-ops seem to be exempt from any control. They run agriculture these days."

Mrs Joy Hurwitz, president of the league, said there was little action consumers could take.

"All I can say is that the future looks very dim for consumers."

The move by Vleissentraal and BKB has been backed by the Minister of Agriculture, Mr Greyling Wentzel, and the president of the South African Agricultural Union, Mr Jaap Wilkens.

They said the merger would benefit the consumer and the producer.

Lack of funds sinks nutrition advice body

By Pamela Kleirot

Twenty-two nutrition teachers will lose their jobs at the end of this week when the 15-year-old Nutrition Advisory Services closes down on December 31, due to a lack of finance.

This was said by a Maize Board spokesman yesterday. He said nobody had been found to take over the service which had operated mainly in black communities.

Attempts to get the State Health Department to take over the service had failed.

The service was sponsored annually to the tune of R250 000 by four food control boards—dairy, maize, egg and oil seeds—but for economic reasons they can no longer continue the sponsorship.

Doctors are dismayed at the closure of the service, considered essential to the promotion of better nutrition in South Africa.

"Malnutrition is South Africa's

major health problem and health educators have done an outstanding job in reducing the incidence of malnutrition in some areas," said a leading paediatrician.

He said it was not always necessary to admit a child with malnutrition to hospital. "The mother was referred to a nutrition adviser to correct the poor dietary habits."

Professor Lucy Wagstaff, head of the Department of Community Pediatrics at the University of the Witwatersrand, said it was sad that such a vital service was being withdrawn when it should be increasing.

"It's a tough year ahead for a lot of people facing increasing financial stringencies, and there will be an obvious and urgent seeking for advice to help feed families economically and adequately," she said.

Professor Wagstaff said doctors and nurses could not take over the role of health educators as they could not spend long periods in group discussions giving practical demonstrations and guidance on food selection and preparation.

AGRICULTURE
(CONTROL Board)

1983

JAN. — ~~MAR.~~ July.

Dairymen want import duty ^{Star} ~~on~~ ^{(3) Dairy} on substitutes ^{26/1183} ^{Control} ~~on~~ ^{Boards}

Dairy substitutes are a growing threat to the dairy industry, Mr Eddie Roux, general manager of the Dairy Board, said at Agrogen. This was because large quantities of substitute products — including milk solids — were being freely imported.

"Import control is needed to protect the local market against unfair competition from milk solids from countries subsidising exports," he said.

Last year the dairy industry supported draft legislation to prevent deceptive advertising and labelling of dairy substitutes.

The law would prevent the use of words normally associated with dairy products — such as "creamer" or "milk product".

The proposed law renews the war between fresh milk producers and the manufacturers of dairy creamers, who have vowed to resist attempts to interfere with their industry.

Maize boss tilts at Government's trade protection

(3) Maize (3) Central Boards
Stew 26/1/83

Leaders in agriculture met in Pretoria last week to discuss the future of their industry. The message was a gloomy one — prices will continue to soar as farmers struggle to cope with high input costs. Colleen Ryan reports.

Consumers are not benefiting from the Government's protectionist policies, says Dr CS le Clus, head of the Development Foundation for the National Organisation of Maize Producers.

"Protection costs money and, inevitably, the consumer must pay for it," he told Agrocon delegates.

"The current way protection is handled is by imposing heavy taxes on imports or by banning them completely," said Dr le Clus.

This policy caused inflation and was against the spirit of the Carlton conference. The Government had promised to move towards a more market-related economy, he said.

"It is interesting to note that the countries that have had the most success in reducing inflation have had the least protection in their economies," he said.

"We believe that South Africa should move towards a system in which protected industries are subsidised directly by the Government's central budget funds," Dr le Clus said.

If such protection were aimed at local industries it would lead, inevitably, to reduced consumer prices, Dr le Clus explained.

The Maize Board would show a loss of R221 million for the 1982-83 financial year, he said.

"The industry cannot continue with the joint execution of the three tasks currently performed by it," he told the congress. "These tasks are to produce cheap food, to earn foreign currency and to subsidise domestic industries."

Producers had decided to accept a world market-related economy for the industry, he said.

"The domestic selling price and the cost required to produce maize must be subjected to the discipline of the international market."

The policy could not be introduced solely for the maize industry but had to be implemented on the broad scale.

"It is now up to the other sectors to decide whether they will accept a free market approach," Dr le Clus said.

SA turning away from red meat, says board

3 Control Boards

South Africans have been forced to cut back on meat consumption and in 10 years there has been virtually no growth in the local meat industry.

In a decade, consumer expenditure on meat has increased by nearly 400 percent yet consumption has increased by only 4,8 percent.

These figures were supplied by the Meat Board at the Agricultural Outlook Conference in Pretoria.

Taking the growth of population into account, South Africans as a whole are buying less red meat than they did in 1973.

Consumers have turned increasingly to substitute products, hence the growth in the sale of chickens.

Chicken consumption has increased by 93 percent since 1973, according to the Meat Board figures.

But poultry prices have also risen sharply. According to estimates supplied by the market research division of the Department of Agriculture, white meat prices increased by at least 400 percent in 10 years.

The Meat Board is clearly concerned about this situation. The chairman of the Meat Board, Mr Philip du Toit, said producers were well aware of the threat the chicken market posed to the red meat industry.

In his review of 1982, Mr du Toit told delegates market prices had remained stable and supplies to the trade were increased.

"The consumer did not consistently share in the stable or even lower market prices," he said.

He called on meat traders to play a more decisive role in promoting meat consumption.

"Consumers have suffered from the impact of high prices in recent years and it is essential they should share in any price reductions," said Mr du Toit.

X

Canned fruit output is falling

~~3~~ Control boards
Star 26/1/83

Production in the canned fruit industry has dropped by almost 50 percent since 1980, a spokesman for the Canning Fruit Board told delegates to Agrocon.

The decline in the export market and the drop in local demand has brought about a drop of 46 percent in production compared with 1980, he said.

The board believed it was essential that a comprehensive agricultural export policy was formed to prevent farmers losing interest.

The Western Cape could not afford to lose its canning industry because it provided foreign exchange as well as jobs.

The board called for government aid to enable the industry to compete with subsidised products on the export market.

● In January the largest manufacturer of canned goods, Langeberg Co-operative, increased its prices by 14 to 20 percent but retailers say consumers are resisting rising prices.

~~3~~ ³ Control boards
star 26/1/87

Drought may double the price of potatoes

Potato prices could double this year because the drought has reduced crop yields considerably, the general manager of the Potato Board, Mr Danie van Rensburg, has told Agrocon delegates.

A 15 kg pocket of first grade medium potatoes could cost R10 to R12 later this year, he said. The current retail price is between R4 and R6.

Potato prices have rocketed in the last year. The retail price of a pocket of potatoes was R1,50 to R2 in December 1981.

Mr Graham Bromwell, in charge of fresh produce at Checkers, said there was a shortage of good quality potatoes which was expected to continue and this could lead to even higher prices.

GROWTH/DECLINE IN THE CONSUMPTION OF CHICKEN AND RED MEAT OVER THE PAST DECADE				
YEAR	MEAT CONSUMPTION		CHICKEN CONSUMPTION	
	(1 000 TONS)	PERCENTAGE CHANGE FROM PREVIOUS YEAR	(1 000 TONS)	PERCENTAGE CHANGE FROM PREVIOUS YEAR
1973	849	-	194	-
1974	813	-4,4 percent	232	+19,5 percent
1975	777	-4,4 percent	265	+14,2 percent
1976	799	+2,8 percent	287	+8,3 percent
1977	867	+8,5 percent	299	+4,1 percent
1978	884	+1,9 percent	300	+0,3 percent
1979	909	+2,8 percent	302	+0,6 percent
1980	1 025	+12,7 percent	308	+1,9 percent
1981	877	-14,4 percent	322	+4,5 percent
1982*	903	+2,9 percent	355	+10,2 percent
1983*	890	-1,4 percent	375	+5,6 percent
TOTAL GROWTH IN TEN YEARS: +4,8 percent			TOTAL GROWTH IN TEN YEARS: +93,2 percent	

Start 26/1/83

*estimate figures
(Figures supplied by the Meat Board)

CONSUMER SPENDING ON RED MEAT				
YEAR	EXPENDITURE (R MILLION)	PERCENTAGE INCREASE FROM PREVIOUS YEAR	MEAT CONSUMPTION (1 000 TONS)	PERCENTAGE CHANGE FROM PREVIOUS YEAR
1979	R1 892	24,9 percent	909	+2,8 percent
1980	R2 470	30,5 percent	1 025	+12,7 percent
1981	R3 205	29,7 percent	877	-14,4 percent
1982*	R3 869	20,7 percent	903	+2,9 percent
1983*	R4 250	9,8 percent	890	-1,4 percent

*estimate figures
(Figures supplied by the Meat Board)

Meat Board does it again — now pork prices set to soar

By ANGELA GILCHRIST

MANY of South Africa's pig farmers are up in arms over a new permit system to be introduced by the Meat Board — and have warned that prices of pork will rise substantially within the next few weeks.

They also warn that the new permit quota will lead to increased production costs which in turn will set off a growing shortage of pork products in most major centres.

Farmers also believe that the new permits, which come into operation on Thursday, will force many of them out of the industry and off their farms.

The controversial move by the

Meat Board — which could disrupt other sectors of the meat industry as well — comes just four months after the board bungled its R6-million subsidy when it withdrew it before it could get off the ground.

But now pig farmers will need permits to market their pigs, though many are either not aware of this, or have not yet received their permits from the Meat Board in Pretoria.

The board remains adamant the new system is needed to curb a surplus of pigs and restore stability

to the industry.

Board public relations officer Mr Koos Blignaut confirmed that pigs could not be marketed without permits after Thursday. He said producers were informed "months ago" that the onus was on them to register and apply for permits.

"Farmers who have not received their permits should contact the Meat Board and establish whether they will be able to sell their usual quota next week. Permits will be backdated accordingly."

Mr Blignaut said the Meat Board had to know in advance what it could expect from the market, and indications were that it was mov-

ing into an 'over-supply situation'.

Mr Blignaut said that last year the board encouraged farmers to expand, "but no-one told them to go overboard, regardless of the consequences".

But the pig farmers don't agree. One said yesterday: "Until we have a free enterprise system in this country, farming is doomed. Last year a Meat Board deputation came to my farm and encouraged me to expand my operation. I'm glad I didn't."

The farmer — who refused to be named for fear of victimisation — said: "Permit quotas have been based on last year's production figures, and farmers will have to pay a levy on each pig they try to sell over quota. We stand to lose thousands of rands."

"The permits will become black market commodities."

He said he had not received his permits from the Meat Board and had no idea how many pigs to take to the abattoir on Tuesday.

"In the end the consumer is going to pay dearly. Producers will be forced out of the industry, and this, coupled with this year's drought, will cause drastic shortages."

Another pig farmer, Mr Richard Drummond, said he had not received the permits he had applied for.

"Restrictions on production will force many of us out of the industry," he said.

"I don't know how the board can claim to have a surplus. South Africa hasn't entered the export market for pig meat."

Pig farmer Mr Arthur Webber said anybody who increased his production since last year would be in "big trouble".

And Mr Ivan Peterson said: "The outlook for farmers is bleak."

"If there is an over-supply, it means that pork products are insufficiently advertised," he said.

27/2/83

3 Control Boards ~~Control~~
Agricultural production: boards
Hansard Q.61, 791 25/3/83
616. Mr. P. A. MYBURGH asked the
Minister of Agriculture:

What percentage of South Africa's total agricultural production in the (a) 1981 and (b) 1982 calendar year was not under the control of any board established under the Marketing Act?

The MINISTER OF AGRICULTURE:

- (a) 24.37%.
- (b) 28.68%.

3 Control Boards Hansard
 Marketing boards
 Q. 61. 1053 - 1056
 726. Mr. P. A. MYBURGH asked the
 Minister of Agriculture:
 21/4/83
 What was the total cost. (a) including

and (b) excluding administrative expenditure, of each board established in terms of the Marketing Act for the financial year 1981-'82?

The MINISTER OF AGRICULTURE:

EXPENDITURE OF AGRICULTURAL CONTROL BOARDS FOR 1981-'82

Board	Levy Fund (1)	Special Levy and Reserve Funds (2)	Total of Levy, Special Levy and Reserve Funds
Potato Board	919 289	2 426 746	3 346 035
Dry Bean Board	285 564	437 775	723 339
Dried Fruit Board	427 706	—	427 706
Egg Control Board	1 350 346	2 916 461	4 266 807
Karakul Board	25 322	693 178	718 500
Cotton Board	323 573	—	323 573
Wheat Board	3 758 666	4 345 627 (3)	8 104 293
Lucerne Seed Control Board	48 500	13 190	61 690
Maize Board	4 171 033	308 045 149 (4)	312 216 182
Oilseeds Control Board	2 060 238	5 314 587 (5)	7 374 825
Banana Board	787 481	259 990	1 047 471
Canning Fruit Board	270 308	509 805	780 113
Rooibos Tea Control Board	492 404	449 104	941 508
Deciduous Fruit Board	6 021 977	6 719 698 (6)	12 741 675
Chicory Board	450 025	305 283	755 308
Citrus Board	3 243 594	434 755 (7)	3 678 349

79,
333,
346,

493,

492.

725.

709.

lan-

6.

Board	Levy Fund (1)	Special Levy and Reserve Funds (2)	Total of Levy, Special Levy and Reserve Funds
Dairy Control Board	1 974 762	4 979 277	6 954 039
South African Wool Board	2 337 423	16 020 454 (8)	18 357 877
Mohair Board	232 039	290 700	522 739
Tobacco Board	291 506	9 719 133 (9)	10 010 639
Meat Board	6 532 067	2 950 153	9 482 220

- (1) Mainly administrative expenses;
- (2) Includes expenditure in respect of sales promotion, research and in certain cases also stabilization measures as in the case of the Potato, Dry Bean, Egg, Maize, Oilseeds, Canning Fruit, Dairy, Tobacco and Meat Boards;
- (3) Includes an amount of R3 691 723 in respect of the erection of a new building;
- (4) Includes an amount of R277 374 742 in respect of the financing of export losses;
- (5) Includes an amount of R2 291 059 in respect of a new building and a subsidy of R2 393 735 (to encourage production) which was paid during the 1981/82 financial year from the Special Levy Fund to producers on the purchase price of groundnut seed;
- (6) Includes an amount of R3 387 512 in respect of overseas sales promotion and R759 131 in respect of local sales promotion;
- (7) Expenditure amounting to R4 575 648 in respect of advertising and sales promotion was debited directly to the pools;
- (8) Includes a contribution of R6 774 253 to the International Wool Secretariat and R6 072 854 for obtaining and expanding wool warehouses;
- (9) Includes R9 670 190 for price stabilization.

Stand on prices is welcomed

CAPE TIMES 25/4/83
(3 months C Board)

Own Correspondent

JOHANNESBURG. — The government's tough new stand on administered price rises has been welcomed by consumers and economists.

In recent years consistently big increases in prices controlled by the government were a major cause of South Africa's high inflation rate, they say.

The government has been told repeatedly by leading economists, the parliamentary opposition and the Prime Minister's Economic Advisory Council that an essential element in the fight against inflation was the curbing of administered price rises.

And the government has at last been listening, economists say.

Shocked

Earlier this year the sugar industry was shocked when its demand for a 15 percent increase was slashed to 7,5 percent.

At the time, the Minister of Industries and Commerce, Dr Dawie de Villiers, said that although he had sympathy

for the problems of the industry, it could not expect the consumer to solve its problem.

Last week the Minister of Agriculture, Mr Greyling Wentzel, announced a 9,6 percent increase in the mealie price in the face of a demand from the National Maize Producers' Organization and the Maize Board for a 25-percent price increase.

Pressure

Economists claim a farming lobby, particularly mealie-farmers, was probably the country's strongest pressure group, and the fact that the government had cut the 25-percent price increase demand to 9,6 percent confirmed its commitment to reducing the country's excessively-high inflation rate.

And before the cabinet food committee now is a demand from the SA Agricultural Union and the Dairy Board for substantial increases in dairy product prices.

The new prices are likely to be announced within the next two weeks.

Another big test of the anti-inflation commitment will come later in the year when a decision has to be taken on the wheat price.

But according to Pretoria sources, wheat farmers can expect the same shrift given to mealie farmers.

The bread price is due for review at the end of October and if a big wheat price were granted, another substantial rise in bread prices would be unavoidable.

Criminal charges could be brought

Agents 6/5/83

~~South~~
3 heads
control
RCA

Don't go it alone, fruit men warned



Mr Abraham van Zyl

Staff Reporter

SOUTH AFRICA'S 3 000 producers of dried fruit — 50 per cent of whom are in the Western Cape — have been warned that they face possible criminal charges if they try to "go it alone" or form a splinter marketing organisation which does not conform to the quality-control regulations that govern the R80-million-a-year industry.

This warning has come from the chairman of the South African Dried Fruit Co-operative, Mr Abraham van Zyl, who says: "We have spent 75 years building up our one-channel marketing system and establishing South African dried fruit as the best in the world.

"Why, now, should we

let our reputation be destroyed by a few farmers who feel that they can make an extra few rands by setting up another controlling body?"

Recent move

Mr van Zyl was speaking at the annual meeting of the SAD in Worcester and reacting to a recent move by some farmers to break away and form their own marketing body.

One such farmer was recently found guilty in Montagu Magistrate's Court and fined R800 for packing and selling dried fruit out-of-hand... a product which did not meet up to the high quality standards of the SAD.

Mr van Zyl said that the existing one-channel quality-control and marketing system in South Africa ensured a fair deal to the farmer as

well as a fair deal to the consumer.

"Actually, our SAD is the envy of many overseas countries that produce dried fruit," he said.

Mr van Zyl produced a number of graphs which showed that South African farmers in general received an average of only 54 per cent of the retail price of agricultural products, whereas the producers of dried fruit get closer to 60 per cent.

The vice-chairman of the SAD, Dr Andries Burger, strongly supported Mr van Zyl's comments and said some farmers might feel that the establishment of a second marketing body would open up a "bargaining channel" . . . "but I can assure them that they will lose out in the long run".

About 120 delegates of the various sub-unions attended the meeting

Farmers boarded up 'for their own good'

Political Staff

CAPE TOWN — The beleaguered agricultural control boards are standing up for themselves against what they call "fiction and fables".

South Africa has all sorts of boards. They include the Banana Board (telegraphic address Piesang), the Cotton Board (with headquarters in the Merino Building), the Dairy Board (its self-confessed function is to encourage a reliable flow of milk), the Deciduous Fruit Board (which shares offices with an oil company) and the Egg Control Board (eggs exercise little self-control).

Others are the Canning Fruit Board, the Chicory Board, the Dried Fruit Board, the Dry Bean Board, the Lucerne Seed Board, the Maize Board, the Oilseeds Board, the Potato Board, the Rooibos Tea Board, the Wool Board and the Tobacco

Board, not to mention the Meat Board, Wheat Board and Mohair (or Bleat) Board.

Increasingly, the boards are being flayed by their critics.

Mr J J M van Vuuren, chairman of the Co-ordinating Committee of Agricultural Control Boards, acknowledges: "It is a fact that from time to time, and lately more often than formerly, unbridled attacks are made on the system of controlled marketing under the Marketing Act.

"The popular trend is to generalise and to lump all agricultural control boards together in a critical condemnation."

Now the Co-ordinating Committee is putting out a large packet of information — 87 pages in loose-leaf format — to counter headlines such as "Abolish the boards".

It says ignorance and misconceptions need to be dispelled and it tries to set the record straight:

- Not one cent of taxpayers' money is used for administering the boards — their funds come from the farmers themselves.

- It is utterly untrue to say that the boards are administered by public servants.

- Even though boards wield complete control within specific commodity sectors, competition is never eliminated.

- The cost of the boards to the farmers is a mere 0,5 percent of the gross value of their products.

- The boards do not waste money constructing expensive buildings — property is an excellent investment.

- Price increases for agricultural products are significantly lower than for other consumer goods.

Mr van Vuuren says: "An in-depth analysis brings one to the conclusion that South Africa has at its disposal a marketing instrument that has not only proved its value over a period of almost 50 years, but has also been lauded by overseas marketing pundits as a model for any country in the world.

"We are satisfied that there is little ground for criticism.

"It is nevertheless admitted that mistakes could be made in administering the Marketing Act. This is only human and a challenge to all of us to eliminate such errors of judgment."

The boards do not ask for unconditional support, but for

Farm control boards hit back at critics

RD001 28/5/83
3 Control Board

Political Staff

CAPE TOWN. — South Africa's agricultural control boards have hit back at years of criticism with an aggressive vindication of their role in protecting both farmers and consumers.

The 21 control boards regulate the marketing of 80% of South Africa's agricultural products, ranging from meat and milk to chicory and rooibos tea.

Their activities have been condemned by politicians, economists and newspapers as costly, wasteful and inflationary. They have been accused of cossetting farmers at the expense of housewives, who have to pay higher prices for food.

The Co-ordinating Committee of Control Boards has published an 81-page document answering criticism, including the frequent calls to abolish the boards and let prices be determined by a free market.

The committee concedes that some attacks are justified, but says that most critics are misinformed, ignorant and sometimes have questionable motives.

The committee chairman, Mr J J M van Vuuren, says in an introduction that criticism will be constructive when critics know the facts.

"We do not ask for unconditional support and acceptance. Our plea is for greater perspective regarding the vital role which agriculture plays in our mixed economy," he says.

The main thrust of the document is that by providing a stable marketing system, the boards protect both consum-

ers and producers. Consumers are able to buy at consistent prices, even out of season, and "prices are kept low by effective control", it says.

Figures are quoted to show that, over a long period, prices of controlled products have risen far slower than those of other consumer items. The report also stresses the role of the free market in determining the prices as set, and says the boards could not function unless they served the consumer as well.

Rejecting the notion that the boards are part of the public service, it says they are financed by a levy on farmers and no taxpayers' money is involved. Administrative costs average 0,5% of the gross value of the products, a ratio it says few businesses could achieve.

Mr Harry Schwarz, PFP spokesman on consumer affairs, rejected many of the arguments raised and said some of the real problems had not been addressed.

The mere publication of a "defensive document" showed public concern about the boards was too great to be ignored.

"The document by its own admission demonstrates that the boards exist primarily to look after producer interests. Consumers must therefore look elsewhere for protection."

Mr Schwarz said it was economically illogical to try to reconcile the operation of many of the boards with the Government's alleged philosophy of free enterprise and a free market system by interfering with market systems.

Food glut price shock

W/E ARGUS 4/6/83
2 days
3 Control boards
Weekend Argus
Correspondent

JOHANNESBURG. — Shoppers face dairy product price rises this winter despite the biggest glut in history.

The dairy industry has been warned it could meet massive consumer resistance as the cost of eggs, butter, milk and cheese soar.

This is despite the fact that warehouses are bulging with surplus dairy products — including butter for enough toast to go half-way round the world accompanied by a mountain of cheese.

The general manager of the Dairy Board, Mr P E Roux, confirmed today that price increases could not be ruled out.

However, the Consumer Council today called for price restraint from food producers and distributors.

Mr Jan Cronje, director of the council, warned: "The dairy industry must realise that if it increases its prices, it will lose more of its market share."

Consumers would turn to cheaper, substitute food to dodge higher prices.

Egg producers admit there is already a surplus of eggs and retailers say the glut is likely to increase.

The price of eggs will be increased by at least 6c a dozen on June 13 —

the fifth increase in the last year.

Asked how producers could justify a price increase when they expected a glut, Mr Zach Coetzee, chairman of the Poultry Association said farmers running costs had soared during the last year and the drought was aggravating the problem.

Warning on control boards 50 years ago

③ ~~Control Boards~~
S. Express 19/6/83

WARNINGS of the disasters that could follow if control boards were given the power to fix and control agricultural prices were strongly voiced 50 years ago by a Government commission of inquiry.

Headed by Dr P R Viljoen, the then Secretary for Agriculture, the commission was appointed in 1933 to advise on procedures for orderly marketing.

The commission accepted the value of control boards which acted as advisers — but rejected outright that they should act as one-channel marketers who could fix and control prices. The healthy practice was that of competitive, free marketing, the commission said.

Dr Kit le Clus, chief research economist for the National Maize Producers' Organisation, questioned this week whether the dire straits in which the maize industry found itself were not because the warnings of the 1933 commission had been ignored.

The Viljoen Commission pointed out: "One-channel marketing, which has as its object the fixing and control of prices, is economically unsound and socially unhealthy and while it may temporarily benefit producers it will inevitably lead to over-production, maladjustment of supply and demand and an ultimate collapse of prices."

This unanimous conclusion was accepted at the time, but overruled two years later when single-channel marketing was introduced in an attempt to protect farmers in a time of widespread depression and distress.

My firm imported milk powder, Dairy Board man admits

3 Control boards
SA 22/6/83

By Colleen Ryan,
Consumer Reporter

A member of the Dairy Board, Mr L F Beckerling, has admitted that his company imported milk products last year — a practice recently condemned by the chairman of the Dairy Board, Mr J J van Vuuren.

Mr van Vuuren said last week that some companies had aggravated the dairy surplus problem by circumventing the regulations of the Department of Industry, Commerce and Tourism and importing milk powders.

The dairy industry is faced with a massive surplus of locally produced milk. The Dairy Board refuses to issue permits

for the importation of milk, but some companies get around this by applying for permits to import powdered products, derived from milk, that are not classified as dairy products.

Mr Beckerling, a director of Imperial Cold Storage, who represents manufacturers on the Dairy Board, said ICS imported butter-milk powder and demineralised whey-powder last year.

He refused to give details, but assured The Star his company was co-operating with the board because of the surplus situation. "We are not importing at the moment," he said.

Ice-cream manufacturers began importing the milk products last year because European

products were much cheaper than locally produced skim milk powder.

To counter this trend the Dairy Board granted ice-cream companies a subsidy of R1 million and sold 1 000 tons of skim-milk powder at a discount of R1 a kilo.

ICS, which controls the largest ice-cream company, Dairy Maid, received 52 percent of this subsidy.

Mr van Vuuren refused to comment on the matter.

"We have released all the details we have and I am not in a position to comment further," he said.

"All I know is that some companies have managed to import products that consist 96 percent of milk but which are not classified as dairy products."

The Dairy Board estimates importers have brought at least 6 000 tons of imported milk-powder into South Africa. It has appealed to the Department of Commerce to crack down on importers.

The police are investigating cases where businessmen have contravened the Marketing Act. At least one person has been charged under the law and will appear in the Cape Town Regional Court on August 11.

The Consumer Council has called for a full investigation into the milk-powder row.

Dairy Board ^{Mercury} move defended ^{11/7/83} ³ ^{Centurion} ^{boards}

Pietermaritzburg
Bureau

THERE was no reason for the Dairy Board to consult farmers before removing retail price control on fresh milk, according to the board's general manager, Mr Eddie Roux.

Mr Roux was commenting on criticism from Natal dairymen last week that they knew nothing of the decision which has led to rocketing milk prices in shops and which farmers predict could lead to plummeting sales and force many of them off the land.

Mr Roux told the Mercury that eight of the 13-man board were dairy farmers, nominated by farmers' unions and associations to represent them.

'Obviously one wouldn't then go back and forwards all the time to ask the individual producers what they think about each decision,' he said.

However, Mr Pat Rogers MP, a member of the NRP's agriculture group, said the removal of price control seemed to be ill-conceived and unimaginative.

The board appeared to

be experimenting with the very delicate situation in which dairy farmers found themselves due to rising costs and falling demand, and Mr Rogers called for measures to counter the inevitable further drop in milk sales following the increased prices.

He suggested that serious consideration be given to selling milk in bulk in black areas, with people buying direct from tankers to avoid the 20 c a litre bottling costs and place the price of milk once more within the reach of those who needed it most.

Potato Board, co-op deny price-fix cartels

Mercury 19/7/83
(3) Cartels Records
~~2/5~~ Mercury Reporter

THE Potato Board and a Transvaal potato co-op have denied the existence of mini-cartels between farmers and market agents to keep prices high.

The manager of the Potato Board, Mr Danie van Rensburg, said he believed a number of farmers had merely formed a committee to stabilise supplies.

The board had not intervened because it did not want the price to drop so low that farmers would be discouraged from planting for the next season.

But a spokesman for a popular nationwide chain of supermarkets said they had stopped buying potatoes from city markets because of the prohibitively high cost over the past few months.

The price had soared from R3,56 for a 15 kg pocket of first-grade medium potatoes in January to an all-time high of R8,04 in May. In June the price dropped slightly to R6,18 a pocket.

It appeared as though the farmers were holding out for at least R6 a pocket. The average price last year was less than R3 a pocket.

About 80 000 first-grade pockets were being stored at the Johannesburg market and 30 000 bags in Durban.

Many had begun to rot because the price was forcing people to buy second- and third-grade potatoes, he said.

Unrealistic

Some smaller dealers said they had been threatened with having their supply suspended if they did not toe the line.

Strongest in the Northern Transvaal and in one or two Free State areas, the cartels would soon be left sitting on a huge surplus if they persisted with these unrealistic prices.

The growing season in those areas closed in four to six weeks, after which the Eastern Transvaal crop would enter the market at a much lower price.

By that time the older crop would be inferior and could not compete.

He said the chain was buying potatoes from individual farmers, and had collected a small reserve supply.

A senior official of the Transvaal Potato Co-op said that although he agreed that the price was dangerously high, it was because of the drought. The harvest was about a third of normal.

It was a curious and inexplicable characteristic of the market, especially with potatoes, that there was no direct relation between supply and price fluctuation.

If the supply dropped by 10 percent the price could increase by 50 percent, or vice-versa.

CONTROL BOARDS. - 1984

JANUARY. — Oct

Scrap all farm boards, *Carlton Boards* say maize producers

By Hannes Ferguson

Maize farmers have demanded the scrapping of all agricultural control boards and favour a free market.

Disillusioned by the Government's policy of using agricultural prices for social and other

non-agricultural ends, the National Maize Producers' Organisation (Nampo) has published these guidelines:

- The farm market should be free from distortion by official intervention.
- Clear Government policies to redistribute wealth and subsidise lower incomes should be divorced from agricultural policy.
- The agricultural sector could not move in isolation towards market-related pricing but only in line with free markets for agricultural inputs and processed agricultural products.
- As the sector and national economy gradually approached the principles of the Carlton and Good Hope conferences, the control boards, co-operatives, Land Bank and the Department of Agriculture should draw up blueprints for their adjustment to the new dispensation.
- Special measures to encourage the settlement of border farms, decentralisation of industry, assistance to young farmers and other measures to attain non-market ends, should not be the task of the Agriculture credit boards.

③ Central Boards
 Dairy Board 10/2/84
 Hansard Q. Col. 127
 98. Mr D J N MALCOMESS asked the
 Minister of Agriculture:

(a) What are the (i) names and (ii) qualifications of the members of the Dairy Board and (b) by whom were they appointed?

The MINISTER OF AGRICULTURE:

(a) (i) and (ii)

Mr N J Basson	}	— Representatives of Fresh Milk Producers
Dr L P Theron		
Dr J H Grey		
Mr P J Comrie		
Mr C J M Burger	}	— Representatives of Industrial Milk Producers
Mr B B Brent-Meak		
Mr P L Barnard		
Mr J J M J van Vuuren		
Mr L F Beckerling		— Representative of Fresh Milk Distributors
Mr F F Botha		— Representative of Co-operative Fresh Milk Distributors
Dr A J V Rörich		— Representative of Dairy Products Manufacturers (excluding milk)
Mr J H Dreyer		— Representative of Co-operative Dairy Products Manufacturers (excluding milk)
Mrs E M Hirzel		— Representative of Consumers
Mr E J W Quin		— Additional member appointed in terms of section 28 (1) (b) (ii) of the Marketing Act

(b) The Minister of Agriculture after consultation with representative organizations.

15) Control boards 20/2/84
 Marketing boards
 Howard Q. 61. 262
 243 Mr P A MYBURGH asked the Minister of Agriculture:

What was the total cost, (a) including and (b) excluding administration expenditure, of each board established in terms of the Marketing Act for the financial year 1982-83?

The MINISTER OF AGRICULTURE.

Expenditure of Agricultural Control Boards for 1982-83

Board	(a)	(b)
Potato Board	1 809 912	699 670
Dry Bean Board	524 455	277 058
Dried Fruit Board	1 476 793	949 495
Egg Control Board	7 874 628	6 259 390
Karakul Board	62 281	33 725
Cotton Board	416 307	19 956
Wheat Board	42 743 044	38 534 078
Lucerne Seed Control Board	81 927	—
Maize Board	320 693 909	314 177 836
Oil Seeds Control Board	13 683 860	10 428 342
Banana Board	1 217 097	257 121
Canning Fruit Board	776 354	506 724
Rooibos Tea Control Board	1 529 552	598 872
Deciduous Fruit Board	19 747 468	12 861 072
Chicory Board	1 068 565	562 710
Citrus Board	4 368 751	306 088
Dairy Control Board	9 189 015	6 259 390
South African Wool Board	36 861 188	34 015 138
Mohair Board	586 128	299 528
Tobacco Board	11 107 722	10 708 377
Meat Board	36 029 581	27 810 587

Is this a way out of the maize?

By Hannes Ferguson

Maize farmers are thinking of packing up their troubles and loading them onto the woolly backs of sheep.

There will be no stampede to sheep farming, but the Wool Board is trying hard to lure the maize men into wool growing. And it is getting a positive response.

Maize producers feel cornered by uncontrollable risks. Their costs have been jacked up by Government protection of the suppliers of fertilizer, implements, chemicals and fuel.

The price of maize on the home market is being fixed annually by the Government without any reference to production cost.

And the export markets have been made unprofitable by the high rand-dollar exchange rate.

To break even, maize producers must have a bumper crop. But with South Africa's unpredictable, drought-ridden climate, this happens only once or twice in a decade. So they are desperately looking for a way out.

The Government's plan to limit maize production to the requirements of the home market actually forces them out, partly.

Maize growing is to contract next season from 4 million hectares to about 2 million.

But what can they do with idle maize fields? The Oil Seeds Board is in a flutter over the prospect of a sunflower glut caused by maize men

Handwritten: (3) *Prize*

Handwritten: (3) *cutest*

Handwritten: (3) *cutest*

Maize producers are feeling trapped in a tangle of uncontrollable risks. But someone is offering a solution: come sheep farming, says the Wool Board. It's a revolutionary idea, thinks the maize farmer. But some of the advantages are attractive and it is starting to get a positive response . . .

season the veld is supplemented by planted eragrostis (heart grass). One hectare of veld and eragrostis is needed for every three sheep. But west of a line drawn from Lichtenburg to Ladybrand, commercial wool growing is virtually unknown.

Now it takes time for the farmer to get used to what looks like a revolutionary idea.

Everything depends on the number of sheep a hectare will be able to carry. To compare with maize in income in an average year, the western farmer must be able to run a minimum flock of about 500 sheep on 100 hectares of converted maize fields.

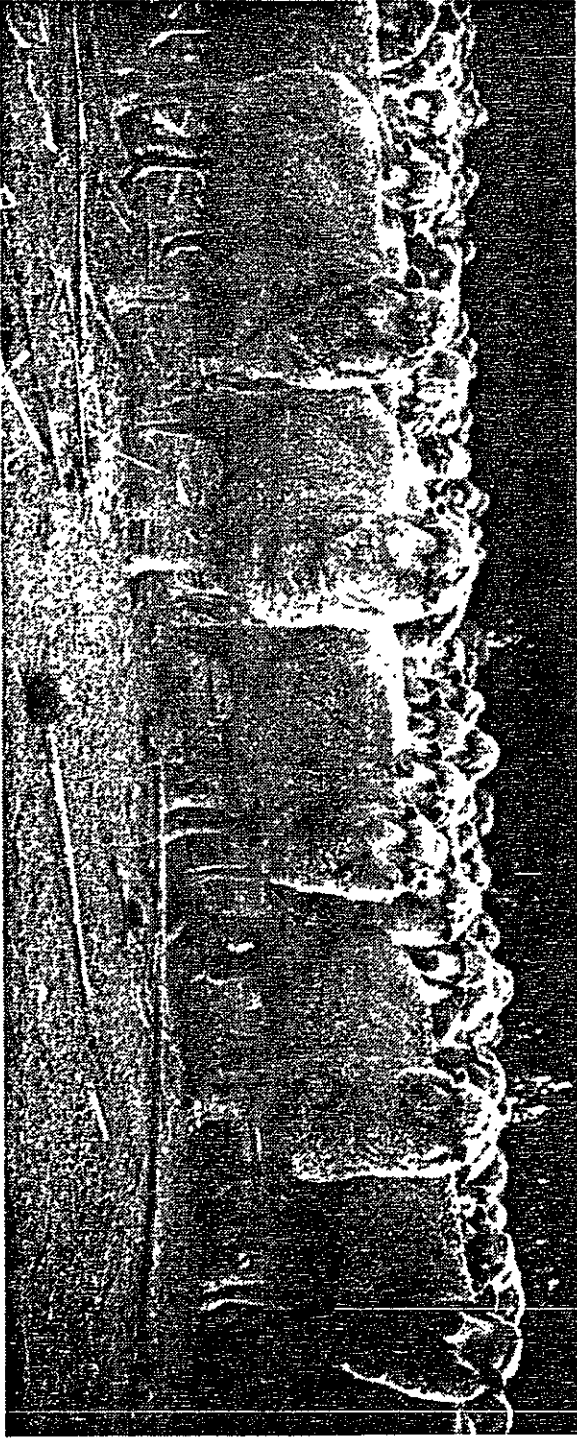
Grazing five sheep on a hectare is possible only by establishing non-irrigated lucerne fields which is a new practice not yet completely researched.

Semi-intensive sheep farming in such a style costs money.

Lots of it, too. R40 a sheep for the animal itself, another R40 a sheep for establishing dry-land lucerne or lucerne-cum-grass pastures, and about R10 out on hay until the early rains have greened the veld. Later in the

So a flock of 1 000 sheep would cost R30 000 to establish on a maize farm. Where is the near-bankrupt maize farmer going to get that kind of money today?

Sheep farming promises to solve the nagging maize farming problem. And if the State wants a solution to the problems its agricultural



A sight to gladden a maize farmer's heart?

and you cannot overproduce — you have a global market at your feet and your board has the finest international product promotion set-up in the world.

The wool industry could do with a rise in volume. From a wool price of around 300 cents a kilogram, the farmer must deduct transport, levies and other charges for every bale marketed.

Then he must pay about 18 cents a kilo for the Wool Board's fixed

and you cannot overproduce — you have a global market at your feet and your board has the finest international product promotion set-up in the world.

Spilled maize kernels from harvest time in April until ploughing starts in September.

One hectare of maize leftovers can feed six sheep during the winter. In September the flocks are put out on hay until the early rains have greened the veld. Later in the



...over the prospect of a sunflower glut caused by maize men switching to sunflower. The bottom may fall out of the sunflower price, they think.

The Wheat Board seeks to protect wheat growers against thousands of Free State maize farmers supposed to be changing to wheat.

The Dairy Board is already facing surpluses, and wants to introduce a quota system to protect old-established farmers.

Cattle men are looking over their shoulders in fear that the maize man cometh.

Only the Wool Board hearkens. Grow wool, it says. Your costs will be manageable, your price cannot be fixed by Mr Greyling Wentzel

a kilo for the Wool Board's fixed marketing establishment.

These costs are on the way up, like everything else. But if maize farmers could be drawn into wool growing, rising volume could contain marketing costs.

At present, Transvaal is producing 9 million kilograms of wool annually out of a total clip of 107 million kilos. If maize farmers could in time add another 20 or 30 million kilos, this would make a big difference.

The Wool Board has now set up a planning committee with representatives of co-ops, agricultural unions and the Department of Agriculture. Gradually, the idea of ex-



Ja, you're right, man. It's a VERY revolutionary idea...

Uncovering the secrets of efficient farming

By Bob Frean,
Durban

From way down south in George, Knysna and Alexandria, to Mazibuko in Zambia, thousands of farmers depend on systems developed at Cedara Agricultural Research Institute near Pietermaritzburg. They include:

- Farm buildings and facilities and their efficient use.
- Livestock feeding and management systems.
- Fodder flow systems.
- Plant production systems.
- Costings of all these.

Each one needs a book to explain fully, but they add up to more efficient farming systems which keep down the cost of food — at least until it leaves the farm.

Farmers, once notoriously sceptical of scientists and their recommendations, now believe in Cedara.

The main reason for Cedara's credibility is probably that its dairy herd's production has jumped from about 4 500 kg a

Cedara, the headquarters of the Department of Agriculture in Natal, has blazed many research trails which have become part of our farming heritage and contributed significantly to our already huge body of farming knowledge.



Research helps keep farmers and industrialists abreast of the times.

cow a few years ago to the present 7 000 kg. The average for Natal's friesland herds is about 5 100 kg.

Cedara's recipes for cow, calf and heifer feeding, contained in

the well thumbed "blue book" which is the bible of nearly every efficient dairy farmer in southern Africa, are being revised once again by Mr Bob Brendon, a Polish scientist

trained in Wales and who came here from Kenya. Cedara, the headquarters of the Department of Agriculture in Natal, has blazed many research trails which have

them. All. If the State wants a solution to the problems its agricultural policies have helped to create — so economists argue — it could as well try to make such a solution financially possible.

After all, the decision to limit maize production to the requirements of the home market may cost South Africa about R400 million annually. In lost foreign exchange. Switching from maize to wool might compensate somewhat by increasing wool exports.

But the ultimate prize will be the agricultural, economic and social rehabilitation of much the present maize belt. After another generation, people will hardly recognise the place.

become part of our farming and has a huge body of readily accessible farming know-how.

Every day postbags of queries arrive and phones jangle constantly from people wanting information on an incredible range of farming subjects.

Many questions come from business and professional people who have the odd R200 000 burning a hole in their pockets and an itch to go farming, or to keep the receiver's hands off it.

Many sharp businessmen who aim to buy land and show the yokels how to jack up their farming would do well to avail themselves of Cedara's advice.

The sales in execution in Natal's over-paid farming areas which have become fashionable in Joey eyes attest to the need for judicious investment.

Another reason for Cedara's high standing is that the scientists have bred some real winners.

Midmar ryegrass for instance, outyields the world's best ryegrasses in South Africa and is being planted as fast as possible in other countries.

Central Government
 Reserve Bank
 Other monetary banking institutions
 Public corporations and local authorities
 Private sector

31 December 1982 R 31 December 1983 R
 1 746 million 1 943 million
 588 million 1 459 million
 1 596 million 1 984 million
 206 million *
 8 231 million *

TOTAL R12 367 million

Oliseeds Control Board Howard Q. 6/1/972
Mr P A MYBURGH asked the Minister of Agriculture:

- (1) Whether the Oliseeds Control Board sustained any losses in the 1983-84 financial year; if so, (a) what is the nature of these losses and (b) how will they be recouped;
- (2) whether this control board dumped any products in the sea in 1983; if so, (a) why and (b)(i) what products and (ii) what quantities of each such product were dumped;
- (3) whether this control board exported any products in the 1983-84 financial year; if so, (a) what products and (b) what quantities of each such product were exported?

THE MINISTER OF AGRICULTURE:

- (1) The Board's financial year ends on 31 May 1984 and the auditing of the financial records of the Board will only be finalized by the end of November 1984. At this stage it would appear that a loss could develop as a result of the importation of sunflower seed for the replantment of local vegetable oil requirements.
- (a) Not determinable since several matters have still to be finalized.
- (b) The Oil Seeds Control Board

has not yet decided on that issue.

- (2) No.
- (a), (b) and (c) fall away.
- (3) Yes.
- (a) Edible groundnuts.

(b) 3 514 ton. Howard Q. 6/1/972
Public Service: new salary structure 24/4/84
 746. Mr R M BURROWS asked the Minister of Internal Affairs:

- (1) (a) Which post levels of the Public Service will qualify for the new salary structure announced recently and (b) what (i) are the salaries paid at each post level at present and (ii) percentage increase has been granted in each case;
- (2) whether any representative bodies were consulted prior to the announcement of the new salary structure; if not, why not; if so, (a) what specified bodies and (b) when in each case?

THE MINISTER OF INTERNAL AFFAIRS:

- (1) (a) The following post levels in the top structure are relevant: Deputy Director and equivalent gradings

Director and equivalent gradings
 Chief Director and equivalent gradings
 Deputy Director General and equivalent gradings
 Director General and equivalent gradings

- (b) (i) The annual salaries on each post level are as follows:
 Deputy Director and equivalent: R31 290—33 930
 Director and equivalent: R39 630 (fixed)
 Chief Director and equivalent: R44 850 (fixed)
 Deputy Director General and equivalent: R50 490 (fixed)
 Director General: R59 130 (fixed)
- (ii) The percentage increase which was awarded in each case is as follows:

	Gross	Nett*
Deputy Director and equivalent	20%	14%
Director and equivalent	30%	21%
Chief Director and equivalent	33%	22%
Deputy Director General and equivalent	32%	22%
Director General and equivalent	31%	26%

(* After deductions have been made for income tax and pensions)

- (2) (a) The Public Servants' Association of South Africa, currently the only recognised staff association for public servants, was informed of the investigation.
- (b) Second semester of 1983.

Note: The services of an independent management consultant was engaged in the designing of the relevant salary dispensations.

What was the total population of each specified national state as at the latest specified date for which figures are available?

THE MINISTER OF CONSTITUTIONAL DEVELOPMENT AND PLANNING:

Howard Q. 6/1/974

Gazankulu: 514 280
Kangwane: 161 160
Kwandebele: 156 380
Kwazulu: 3 422 140
Lebowa: 1 746 500
Owagwa: 157 620

Population Census 6 May 1980. Figures relate to persons enumerated in the various states.

Mr S S VAN DER MERWE asked the Minister of Internal Affairs:

Whether quotas in respect of the number of voters per constituency in each province have been determined by the commission appointed for the delimitation of constituencies for the House of Representatives and the House of Delegates; if not, when is it anticipated that these quotas will be determined; if so, how many voters per constituency will there be in respect of each House in each province?

THE MINISTER OF INTERNAL AFFAIRS:

- Yes.
- House of Representatives:
 Cape Province — 14 219
 Natal — 8 605
 Orange Free State — 3 472
 Transvaal — 10 715
- House of Delegates:
 Cape Province — 4 103
 Natal — 9 019
 Transvaal — 7 010

(b) 1982/83 Financial year—
R1 992 585,54.

1983/84 Financial year—
R2 048 481,98.

These monies were paid into the
State Revenue Fund.

Abortions

866. Mr G B D McINTOSH asked the
Minister of Health and Welfare:

Whether any medical practitioners per-
formed lawful abortions in the Republic in
1983; if so, (a) how many medical practi-
tioners and (b) how many of them per-
formed more than (i) 20 and (ii) 50 lawful
abortions in that year?

The MINISTER OF HEALTH AND
WELFARE:

Yes.

(a) 206.

(b) (i) 3.

(ii) None.

*Howson of
Control boards Q. 61. 1267
16/5/84*
885. Mr M A TARR asked the Minister of
Agriculture:

What was the total amount paid in
terms of section 46D of the Marketing
Act, No 59 of 1968, by the control boards
to the South African Agricultural Union
in 1980, 1981, 1982 and 1983, respec-
tively?

(1) (a) and (b) No. In the course of this year.

(2) (a) (i) No property has yet been acquired.

(ii) Approximately 43 000 hectares.

(b) None.

(c) (i) (1) H B Pratt

The MINISTER OF AGRICULTURE:

Control boards do not pay any monies
to the South African Agricultural Union
in terms of section 46D of the Marketing
Act, 1968. However, I have, in terms of
section 46D(1) of the said Act, directed
that the following amounts be paid to the
South African Agricultural Union out of
the special account referred to in section
46C of the Act:

1980—R506 400
1981—R733 600
1982—R988 126
1983—R1 136 345.

*Flanagan Q. 61. 1268
16/5/84*
De Hoop missile testing range
887. Mr P A MYBURGH asked the Min-
ister of Community Development:

(1) Whether any land has been (a) pur-
chased and/or (b) expropriated on
behalf of Armscor for the proposed
De Hoop missile testing range; if not,
when will this land be acquired; if so,

(2) (a) what area of land (i) has been and
(ii) remains to be acquired, (b) how
many transactions with landowners
have been completed, (c) (i) who was
or is the owner of each piece of land
that has been or is to be acquired by
Armscor and (ii) what is the title de-
scription of each such piece of land
and (d) what amount was paid for
each piece of land acquired to date?

The MINISTER OF COMMUNITY DE-
VELOPMENT:

(2) Waenhuisstrand Belegings (Edms) Bpk

(3) P K A Pratt

(4) H D Jackson

(5) A V Louw

(6) Rheboksvlei Landgoed (Edms) Bpk

(7) Hottentots Holland Estates (Pty) Ltd

(8) Kaapse Wildverspreiders (Edms) Bpk

(9) E Pratt

(10) M F Tobias

(11) Pieter Pratt Boerdery

(12) P J Lourens

(13) J W Swart

(14) A H Muller

(15) L C van Papendorp

(16) D J van Papendorp

(17) J W Groenewald

(18) H L Schaary

(19) D and M van Papendorp Uys

(20) P J van Blommestein

(21) D M Uys

(22) Wonderwonnings (Edms) Bpk

(23) Undivided shares:

W T Nefdt: D Nefdt

J Nefdt: Estate A J + J J Wilson

Estate H E Groenewald

E B Liebenberg: G F Steyn

G J Loubser

Estate P J Nefdt and J C D Lourens

(24) N G Kerk Bredasdorp

(25) H J + J Groenewald

(26) H B Gibson and R W Beaumont

Last week milk, now eggs

Depending on the size and sophistication of the individual set-up, it now costs between R8 and R16 a bird to build, equip and stock a new hen-house. As a rule of thumb, the larger the unit, the more it costs. This is because the bigger producers can't afford to cut corners, use Heath-Robinson materials, or take as many disease risks.

They also have to spend far more on security fencing and anti-theft devices because it is more difficult to keep track of eggs, food, hens and workers when there is a crowd. Should any reader wish to keep more than 2 000 hens he should, however, budget for an additional R8 per bird. That is the approximate going rate for shares in the producers'

Financial Mail June 29 1984

29

cartel organised and master-minded by the Egg Control Board. In terms of the board's regulations no one in SA may keep more than 1 999 layers without a permit stipulating the exact upper limit to the size of his flock.

Since the board (with an in-built majority of existing permit holders) seldom issues any new permits, the only effective way to get in on the act is to buy someone else's ticket. As the Egg Board's main preoccupation and *raison d'être* is to ensure that egg farming is always profitable for those inside the net, it is hardly surprising that permits are scarce and competition for them brisk. Neither is it surprising that the highest bidders are normally found among the largest producers who are already ensconced.

If it is already costing you R16 per bird to expand, the premium of R8 a permit adds only 50% to your capital cost. If, however, you are a cost and corner-cutting new or small producer, the need to acquire permits could double your total capital commitment. Furthermore, the existing producer is the one with monopoly profits to plough back and the heaviest tax incentives to make sure that he does so.

Anyone who wants to know why the number of permit holders has fallen from 416 in 1979 (when the permit system was reintroduced) to 279 at the end of June last year and perhaps 250 today, need look no further. The proportion of

those permits held in units of more than 20 000 birds likewise rose from 73,8% in 1979 to 83,3% in 1983. The consequent narrowing of competition among the big and medium-sized permit-holding egg producers is, however, leaving more and more scope for the enterprising small fry to compete.

Scores of ingenious smallholders, part-timers and side-liners with flocks of fewer than 2 000 birds are now proving that they can out-perform the big guns on a profit per bird basis. Several of these would like to keep more birds if only they were allowed. Dozens, maybe hundreds, of other farmers (especially those threatened by maize quotas) would love to diversify into eggs if it was not for the arbitrary 2 000 bird limit.

Although the output generated by the permit free mini-producers represents only a tiny fraction of the R270m sales for the whole industry, it has the cartel worried. The bigger producers have already appealed for the 2 000 bird cut-off point to be lowered to 500. If the Minister of Agriculture wants to make himself popular with all the nation's housewives and the majority of its 60 000 punch-drunk farmers, he will not only reject the proposal out of hand, but also raise the limit to at least 5 000. At the most he has only 250 votes to lose.

Drift is problem for rural people: Kotze

Weekend Post Correspondent

STEYTLERVILLE — The depopulation of the platteland could be checked only if rural communities did something about it, Mr Gert Kotze, Deputy Minister of Agriculture, said yesterday.

He was speaking at the opening day of the ROEP (Restore Our Endangered Platteland) conference at Steytlerville, which he officially opened.

Only when rural communities wished it, would something happen to stop the population drift.

"Where there's a will, there's a way," he said.

The spiritual and physical strength of a community was revealed and activated when it faced such a crisis.

Older and less productive farmers should be persuaded to retire in favour of the younger and more deserving farmers, he said.

Mr Kotze said that when, during the process of consolidation of agricultural ground, small farmers left the land it was unavoidable that the number of farmers would decrease.

It nevertheless remained the ideal to keep many good farmers capable of making a good living in agriculture.

Congress speaker hits stranglehold of control boards and monopolies

③ Control Boards & Post
30/6/84

Weekend Post Correspondent

STEYTLERVILLE — South Africa's system of control boards and monopolies was attacked during yesterday's opening day of the ROEP (Restore Our Endangered Platteland) congress at Steytlerville.

Mr Symond Fiske, agricultural economist and columnist, told the estimated 100 delegates that control boards strangled the small businessman and farmer.

"Bring on 200 assorted control boards to further thwart the operation of the natural law of economics and see what happens," he said. "They effectively outlaw small millers, bakers, sugar mills, abattoirs, butcheries and others."

Such controls restricted

entry into many fields, and it was no wonder that "we are left with a few ultra companies which dominate nearly every segment of the South African economy".

He said to amend the law of supply and demand was "as crazy as to amend the law of gravity".

Economic growth was not dependent on natural resources. "Switzerland has no gold or oil and most of its land is mountainous. Hong Kong doesn't even have any top soil or water."

Mr Fiske said if one had to look at a list of countries, it would be noticed that the countries at the top of the economic scale had small businesses as well as large while those at the bottom were typified by the exist-

ence of a few disproportionately large concerns.

The control board system, he said, was making it difficult, if not impossible, for the small man to exist.

Mr Fiske called for the reduction of income tax and the implementation of a land tax. This would stimulate industry and employment, he maintained.

"South Africa has a frightful tax system and an even worse monetary banking system, both of which favour hoarding at the expense of production. They are systems which favour the idle man with assets while penalising the productive one who wants to acquire them.

"We tax productivity and subsidise indolence," he said.

FM 13/7/84

letters

Egg Board defended

3 Control boards

Sir - It is disappointing that a prestigious journal like the *FM* should publish a report that is not supported by balanced investigation. One would expect a more thorough attitude to an industry worth more than R250m which not only supplies a vital basic food to the consumers of this country, but also jobs to thousands.

I would like to draw your attention to the following:

The *raison d'être* of the Egg Board is to create an environment wherein the efficient producer can make a reasonable return on his investment and the consumer has access to a constant supply of good quality eggs at the lowest possible price. The figures in the accompanying chart indicate that this objective has been achieved.

From this we can see that egg prices have increased at a significantly lower rate than both the feed price, the main input cost (80%), and the CPI for food. Further, productivity has improved and the industry has grown at a satisfactory rate while the cost of the system (supply management) was reduced by almost 50%.

Your objective in recent publications has been to discredit agricultural boards

Consumers		Period	Percentage change
(Basis 1975 = 100)		1978	1983
Increase in feed prices	153	322	110
Increase in egg prices	144	253	76
Increase in CPI (food)	134	265	98

Producers		Period	Percentage change
Productivity (eggs/hen/year)	234	275	18
Gross value (Rm)	118	246	108

Cost of system (Rm)		Period	Percentage change
Cost of control (administration plus export losses)	5.75	6.26	9
Cost of control as percentage of gross value	4.9	2.5	49

through a theme of "agricultural cartels." By attacking the egg scheme with a poorly researched report you have certainly weakened your case.

I should like to mention one or two facts in this regard. Through our supply management system (your cartel) we have issued permits to keep 850 000 additional layers (20% increase) in the Transvaal and Free

State regions only since 1978 and 10% of these were allocated to new entrants. Further, expansion of permits is based on a sliding scale which favours the smaller producers.

As a matter of fact, the flock size of new entrants who wanted to expand were in some cases doubled, and in most cases trebled, over the last five years when ex-

(3) Control

Originally conceived to assist farmers, marketing control boards have grown to monstrous controlling bodies, says Mr Leon Louw, executive director of the Free Market Foundation of Southern Africa.

In qualifying his attack on the control boards, Mr Louw says not all boards are equally guilty in the extent to which they control people, production of foods and the prices paid. But, he says, the boards are outdated.

He is appalled that not even the arguments in favour of control boards have changed with the times.

In a recently issued booklet entitled Fact, Fiction and Fables of Agricultural Marketing Boards issued by the coordinating committee of the boards, the origin of the boards in 1937 is outlined as follows:

"Control over the marketing of agricultural products in South Africa dates from the 1930s when the chaos of depression, drought, speculation and excessive profiteering was making life quite untenable, not only for the farmers, but also for the consumers, who never knew from month to month whether they could purchase food at give-away prices or, on the other hand, whether supplies would be available at any price."

Mr Louw, however, points out that these were extraordinary circumstances; the worst drought in the history of South Africa, combined with the great depression.

"Even in those conditions the people who believed control boards were necessary did not have the support of both parties in Parliament or the majority of economists in the country," Mr Louw says.

"And now, almost half a century later, it seems an open and shut case that to continue with this system in modern society where we have modern methods of dealing with such problems can no longer be appropriate for South Africa," Mr Louw says.

The booklet justifies the role of the boards, saying the farmer is unable to adapt his production to demand, mainly because of uncertain climatic conditions.

But Mr Louw says: "There seems to be a narrow group in some boards who appear to be locked in history. Not moving with the times, they repeat old arguments like stuck records, carrying on as if they were still in 1937."

Control boards are called outdated

"I am not in favour of a dogmatic position, debating whether the system is good or bad. Everyone concerned in South Africa knows the control boards should be re-examined and redesigned."

"There should be honest introspections, discussion of what changes should be made in view of modern knowledge. We know today that market related circumstances are better than direct controls. This is virtually universally agreed," says Mr Louw.

However, the boards' booklet says there is little ground for criticism of the Marketing Act and the schemes established under it. It outlines the main objectives as:

- 1: To secure a measure of stability in supply and prices of farm products.
- 2: To reduce the price differential between producer and consumer.
- 3: To assure consumers consistent and good quality are at reasonable prices.

Mr Louw comments that the first objective is no longer regarded desirable in economics, because a stable price produces an unstable market and incomes.

"Economists worldwide recognise that natural price mechanism brings about stability in the market. Instead of controlled prices, we therefore want prices with the maximum flexibility, adapting to supply and demand."

"It is conspicuous for all to see that the boards did not achieve this objective."

On the second objective, Mr Louw says: "Restriction reduces competition and then one can expect the gap to become bigger."

Mr Louw's views are echoed by Professor W. Kassier, head of the department of agricultural

economics at the University of Stellenbosch.

Referring to the boards as "Semi-monopolies", Prof. Kassier says: "There is a lot of concentration of power, where certain boards, such as the Egg and Meat Boards are virtually controlled by a few large companies."

"If companies excel wholly through their own efforts, that is com-

boards, he suggests.

The booklet states that a 'marketing scheme' (control board) is only established if a significant majority of the producers in the particular industry wants it. It is then financed by the farmers (in the form of levies) who are also represented on the board.

"So why are farmers complaining if they have agreed to establish the

can perhaps afford it.

"We don't all visit five star hotels or drive around in Rolls Royces, so why should not one or two star meat also be available for people who can only afford that quality."

He suggests prices can be cut by decentralising the abattoirs which are at present in the big cities and pleads for the reinstatement of country abattoirs so that the farmer does not have to transport his animals long distances alive. "Only 55 per cent of the animal is usable after the animal has been slaughtered. Transporting animals alive therefore means an unnecessary waste of money," Prof Kassier says.

The booklet advises those who advocate the abolition of the system of agricultural boards to make an estimate of the number of public servants that will be required for ensuring a measure of orderliness in agriculture if producers' organisations were not administered and funded by producers themselves.

"Why would they want public servants?" asks Prof Kassier. "Surely private enterprise is quite capable of looking after itself without the help of civil servants."

Tomorrow: The harm to the agricultural industry.

They started as marketing boards to assist farmers, but they have grown to "monstrous controlling bodies".

That is the view of Mr Leon Louw, executive director of the Free Market Foundation.

And Professor Lieb Niewoudt, head of Natal University's agricultural economics department, says agricultural control boards may harm the industry irreversibly by ignoring natural healthy economic rules.

This is the first of a series in which Daily Dispatch reporter, CAROL VAN DER MERWE, takes an in-depth look at the situation.

mendable, but I cannot accept it when they excel under the umbrella of control boards."

The booklet admits the boards "wield complete control within a specific commodity sector", but says competition is nevertheless never eliminated altogether.

"There are more 'watchdogs' in agriculture than in industry to ensure that these powers are not abused. The main deterrent is that the boards are statutory bodies accountable to a department of state, a minister and the Select Committee on Public Accounts of Parliament."

According to Prof Kassier these 'watchdogs' can only prevent irregularities within the existing system which is not necessarily geared to promote the interests of the ordinary farmers.

Let us look at the structure of the control

board? Surely they can dissolve it by the same token?"

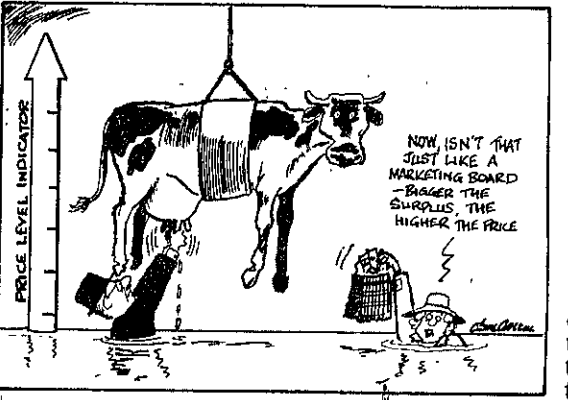
Prof Kassier explains that many of the measures taken by the boards, like the Meat and Egg Control Boards, in the past, have favoured the large farmers enormously.

Obviously these large corporations will protect their own interests. They serve on the bodies which are supposed to represent the farmer, but by taking decisions which enrich them, they put the ordinary farmer to a disadvantage.

"Controls can lead to monopolies. At the same time they take away private enterprise and entrepreneurship. However, they also prevent many farmers from succeeding beyond mediocrity," Prof Kassier warns.

As far as the third objective of the control boards is concerned, namely to assure consumers consistent and good quality at reasonable prices, Prof Kassier comments on the system in the meat industry.

"The required standard of meat is so high that it is only applicable to about 20 per cent of the population which



boards

Changes are on the way in South African agriculture.

The free market system, rewarding shortages and penalising surpluses, is challenging the 21 control boards, which handle 80% of farm produce. Adjustments may result in lower consumer prices. But in the process many farmers may go bust.

After 47 years of the Marketing Act, originally hailed as the farmers' Magna Carta, SA has beef, milk, butter, cheese and sugar surpluses. Pressure for change is mounting from consumers, the Government, speciality farm organisations and even control boards.

The rand's record low exchange rate provides the brightest opportunity ever to abolish minimum farm prices and pay farmers world prices for their produce, it is claimed.

SA farmers receive world prices only for cotton and exports such as wool and fruit. Unless the rand rallies, they will make fortunes in the new season. Even at last year's price, cotton farmers can net what maize farmers gross a hectare.

Farmers growing crops for control boards are R12 000-million in debt to the Land Bank, Co-operatives and private financial institutions. Their prices are fixed by the archaic Marketing Act.

Since the Act's promulgation, farm prices have been kept artificially low. Instead of paying farmers world food prices, Government policy has been to depress visible farm prices and subsidise the consequent almost invisible farm debt.

Major agricultural changes on the way

Consumers pay less for food, but more in tax to subsidise the farmers' debt.

The Meat Board — controlling estimated red meat sales of R4 300-million in 1984 — is compelled to buy carcasses when auction prices fall below floor levels. This month, it won its battle to vary the beef floor price 5% above or below the official figure.

Drought has driven floor prices down by chasing cattle to the abattoirs and into freezers — 150 000 on this week's count.

Professor Eckard Kassier, of Stellenbosch University, says the KVV — the umbrella wine co-operative — exemplifies the worst farm control system in SA. The KVV has a record surplus, its latest crop is 50% higher than domestic consumption.

But domestic prices were increased this year, wine drinkers subsidising surpluses exported to Europe at give-away prices.

The KVV's new chairman, Pietman Hugo, has told its 6 000 members that the industry's three central mechanisms are set for change.

The sugar industry says it will produce a surplus over SA consumption next season. It cannot make profits on exports. World prices

are depressed by stockpiles equal to almost a year's world consumption and nations starved of foreign currency are dumping sugar at throw-away prices.

Even with the rand at its lowest, the world sugar price is less than half that paid to SA producers. Sugar barons say a three-tier quota to remedy this will be instituted at the start of the 1985-86 season.

The SA Sugar Association's R350-million debt, mostly in foreign currency, is another agent for change.

Wool growers, subject to a compulsory single-channel pool system, were rescued by a 40% increase in world prices this season, and 82% of the clip was exported. Although exports brought R282-million, the Wool Board is R250-million in the red.

The drought-battered maize industry has scrapped the Jacobs Committee proposal for a dual quota system. Rains may allow exports next year, perhaps at a profit if the rand is still weak. Maize exports have always been uncompetitive on world markets. Experts attribute this to inefficient farming.

Professor Willem Folscher, of Pretoria University, managed a cost programme at former Minister of Agriculture

Pietie du Plessis's maize farm near Lydenburg in 1983-84 season.

The cost of growing mealies fell from the previous season's R146 a hectare to R66, a saving of R80.

If this saving were multiplied by the 4-million hectares under maize in SA, the result would be R320-million — a third of the gross takings on the 1983-84 crop of 4.4-million tons.

Some farmers are encouraged to grow crops not suited to SA and are paid more than world prices. The crops include tea, chicory, coffee and wheat.

The domestic wheat price is R260 a ton compared to a world price of R170.

Until now, control boards have given farmers incentives to produce the wrong things at the wrong time.

Embattled by drought, many farmers have increased dairy production, which gives quick cash. The result: a 16 000-ton powdered milk surplus, a 3 000-ton cheese surplus, and a 10% milk price increase on July 1.

The Dairy Board is R22-million in the red because of losses on exports.

There are also shortages. Drought has slashed the maize crop.

But cotton production, based on world prices and an almost free marketing system, will meet only 60% of SA consumption this year.

Half of 1984's animal protein consumption of 200 000 tons has to be imported.

The only agricultural sector without surpluses, shortages or debt-ridden farmers is vegetable and fruit. The reason is that the 14 national fresh produce markets work on a free market system. There are no floor prices, subsidies, controls or guarantees.

It may be coincidental, but fruit and vegetables are the only foods to have dropped in price in the past 12 months.

In the year of June 1984, tonnage traded at the Johannesburg market increased by 7%, but turnover rose only 4%. This is a price fall of 3% in normal terms, or 15% in inflation-adjusted terms.

In spite of controls, agriculture is still SA's fastest-growing primary industry. UN Food and Agricultural Organisation's statistics show that SA doubled food and non-food farm produce in the past 20 years.

It averaged an increase of 3.42% in food output in the past decade compared to 1.6% for the world's rich countries.

(3) Center 1 Bureau D. August 1934

Control boards: a threat to industry?

In a booklet entitled **Fact, Fiction and Fables of Agricultural Marketing Boards**, with a foreword by Mr. J. van Vuuren, chairman of the co-ordinating committee of the boards, it is stated that the system has not only proved its value over a period of almost 50 years, but has also been lauded by overseas marketing pundits as the model marketing scheme that any country in the world might wish to have.

Professor Niewoudt, who is head of an agricultural policy research unit funded by the Human Sciences Research Council, recommends that the agricultural economist should have a greater role in pointing out the impact of decisions taken.

Because of his experience and knowledge in the field, the economist can foresee serious ripple effects of which the politician is not aware, Professor Niewoudt says.

So far policy makers have, however, often chosen to ignore the warnings by economists, he says, and although they may have meant well, they often attained the opposite result that they had aimed for.

"In a free market the farmer and/or the consumer benefit, depending on the relationship between supply and demand at given periods.

"With the control board system, where quotas cause a smaller quantity to be sold at a higher price, it is often assumed that the farmer is gaining at the cost of the consumer.

He can sell his cattle at a country auction to a speculator who has the necessary permits or quotas to sell them at the abattoir or central market.

"The consumer who suffers by paying the high meat price simply learns to substitute it with chicken, fish or cheese, and even if the meat price is lowered at a later stage, he will probably be reluctant to change back to meat," Prof Niewoudt says.

But the agricultural control boards in South Africa may harm the industry irreversibly by ignoring healthy natural economic rules, says Professor Lieb Niewoudt, head of Natal University's agricultural economics department.

Are agricultural marketing boards fulfilling the task for which they were established? Or are they causing harm to the industry by ignoring healthy natural economic rules?

It is clear that the farmer loses immensely by getting a lower price at the country auction than he would have got if he had a permit," Prof Niewoudt says. He has in fact found that in the present system, the farmer gets a lower price than he would have in a free market, and the consumer

indirectly by the consumer and the farmer who has not received quotas, because he does not have a history of sales at the abattoir.

"In a free market the farmer and/or the consumer benefit, depending on the relationship between supply and demand at given periods.

He explains that the farmer now has two options:

According to him, quotas issued by control boards could in effect be worth thousands of rands, taking into account the difference between the lower price obtained by a farmer at a country auction and the higher price obtained by the privileged holder of permits or quotas on the central market.

By suppressing the supply of meat and raising its price, the control board simultaneously suppresses the demand for meat, perhaps irreversibly.

3) Cattle Boards

Meat industry: heavy fire from all sectors

The meat industry is one area of marketing control which has come under the heaviest fire from farmers, economists and the people who pay for the end product.

Although there are complaints that nothing seems to be done on an organised level to improve matters on the boards, in the meat industry itself a start has, however, been made.

The Organisation of Livestock Producers, which was started in April last year, has already drawn almost 700 members country-wide.

The executive director of the organisation, Mr Roy van der Westhuizen, of Ficksburg, says the aims of the body are:

- 1: To have control of our own industry;
- 2: and then to ensure that the industry becomes market related, with no intervention

in the natural flow between supply and demand.

"It was necessary to start a body where the ordinary farmer is really represented, as he does not have a significant say in the present system of which he is a victim," Mr Van der Westhuizen said in an interview.

He said that of the eight producer representatives on the board, about five are directors of large meat trading organisations, whose interests can be protected at the cost of the individual farmer.

Mr Van der Westhuizen, who has a degree in economics, does not criticise the control boards' motive, but he thinks it is their understanding of the economy, human nature and how the mar-

ket works that needs repairing.

"They are trying to work in a market by actually contradicting a market. A market is a place where the interaction between supply and demand is the natural communication between the supplier and consumer. Control can only be achieved if you allow it to balance naturally.

"The control board, however, does the opposite. They do not want the price mechanism to fulfill its function as a communicator. They break the communication by intervening.

"When there is a surplus for example they want to help the farmer by putting up the price, instead of letting the price fall

and the necessary changes take place spontaneously — namely that the farmers react by producing less for a while.

"We believe a board

"It was necessary to start a body where the ordinary farmer is really represented, as he does not have a significant say in the present system of which he is a victim."

CAROL VAN DER MERWE continues her investigation into marketing control boards and reports on the formation of the Organisation of Livestock Producers.

can exist, having at the most a co-ordinating function. It can be a liaison and advisory body to farmers," Mr Van der Westhuizen said.

He referred to the permit-quota system in the meat industry and said it is liable to

corruption. "It is a closed shop, so to speak. Farmers with no history of sales at the central market cannot get permits and are forced to sell

of cattle available that you apply for. "Yet how can you ever get round to building up a number of cattle if you don't have an outlet (where you can get a

same amount of money, he will say: "No, I should get R400 because I have a permit!"

"Does that mean a permit could be worth R100 per animal?" Mr Van der Westhuizen asks.

He says the effect of the intervention by the Meat Control Board is astronomical.

"The Control Board staff is costing us enough, just by their mere existence. If we only have to pay their salaries and they stop doing their job of intervening, we will save millions."

He says they divide the agricultural boards into three categories — from bad to worse:

- 1: Marketing boards, like the Citrus and Mohair Boards;

"They are reasonably efficient. When the mohair price fell by 40 per cent this year, they did not intervene. They allowed it to find its own level and in the last sale price it bounced up by 35 per cent.

"The Citrus Board does not even market. It co-ordinates and sets a standard, which makes it one of the better boards."

- 2: Proper control boards pay a fixed price, irrespective of quantity, eg. the Maize and Wheat Boards.

"At least they provide the farmer with the illusion that he knows where he is going. Economic reality, however always has the last say.

"Meat farmers thought they could go ahead regardless, as

matters were in the hands of the control board. The result was a surplus, eventually sold at such a loss on overseas sales that over R500 million was lost."

- 3: Boards who intervene, but who don't give any guarantees, eg. the Meat Board.

"Unlike the first two they do not even market the product or give a fixed price. They only give a floor price, and that is not irrespective of quantity," so while these farmers also have to suffer the costly intervention of control boards, they do not even enjoy any advantages," Mr Van der Westhuizen says.

The Organisation of Livestock Producers was born out of concern that South Africa's economy is going down the drain, "because of its socialistic approach."

Mr Van der Westhuizen, a founder member of the Free Market Foundation, says he realised that agriculture was the largest cause for concern; that the impact of the system whereby it is presently run, is so large that it will eventually ruin our whole economy — a view shared by prominent economists and recently reiterated by Prof. Lieh Nieuwoudt of the University of Natal's Department of Agricultural economy.

Realising that the agricultural economic system also has to be reformed to save the general economy, the new organisation was started.

Tomorrow: View of farmers in the Border area.

Border farmers unhappy with control boards

Farmers in the Border are bitter about the effect on their operations by marketing control boards.

Mr Manie Botha, a cattle farmer at Macleantown, says: "Speculators who do not even have land can buy and sell. In the past three years the farmer's income has fallen by 20 per cent, while the consumer has had to pay 30 per cent more.

"That means 50 per cent goes to the middleman who does not even have to put up with the unpredictable circumstances of the farmer."

He can justify a board which merely maintains the standard and quality of the product, but objects to their intervention by creating artificial prices to the detriment of farmers, he says.

Mr Rod Bursey, a sheep farmer of Kei Road, says: "The Meat Control Board has no function. Meat should be sold purely on a basis of supply and demand.

"The present process costs the farmer 16 to 18 per cent of the price he gets. The small farmer cannot take this. About 15 years ago there were about 225 000 farmers, while today there are only about 75 000. I wonder why . . . ?" he asks.

Mr Bursey's biggest obstacle is the Wool Board. "They are ruining the wool industry. They don't want one farmer to prosper above the other. They

want everyone to be even. It is 'pure socialism.

"I cannot sell my own wool. The Wool Board decides what grade it is and they make the price which they pay me. They then sell it at the auction.

Farmers in the Border area give their views on marketing control boards.

This is the final article in the series by Daily Dispatch reporter CAROL VAN DER MERWE.

"The 'profit' they get there is put into a pool to be shared equally among other farmers whose wool was put into the same category as mine.

"If their wool was, perhaps, submitted at a later stage when prices are down, or if their wool for some or other reason fetches a lower price, I lose out and they gain.

"To equalise farmers like that does not motivate them. Last year I had R9 000 in the pool and eventually did not get a cent of it. They kept my money, because they say the wool prices went down subsequently. They play with my money and I forfeit money to other people who perhaps submit their wool later and at a lower price.

Mr Neville Hewson, a meat farmer of Kidd's Beach, says the Meat Board is too costly to the producer.

He feels dissatisfied about the millions of rand the farmer and the consumer have to

pay indirectly to finance the abattoirs. "Give the abattoir to the co-op where the farmers can represent themselves on the boards," he pleads.

Mr Des Kurz, a dairy farmer and vice-chairman of the board of directors of Model

effort. Yet it does nothing when the government slams 10 per cent GST on the product, Mr Kurz says.

Mr Glynn Robinson, an egg producer at Kei Road, says he would prefer to see no control on the number of hens allowed per farmer.

"While they are restricting a farmer, preventing him from expanding, they still don't seem to control the number of eggs produced. What about the large number of eggs they have had to export at a loss of thousands of rands?" he asks.

"Without the control board the farmer can regulate his production according to the demand, and the most successful farmer will be the one who can do this most efficiently, not the one with the most permits." Mr Robinson says.

He has been struggling for years to have his permit expanded for more hens but was unsuccessful. "How can a man expand and progress under these circumstances?" he wants to know.

"There used to be many egg producers in the Border area. Now there are practically only three of us. The rest have been absorbed by big companies.

"Another thing is the competition we get from the homelands. Farmers there do not need permits and they ship their eggs across the border to sell here."

Dairy, says the control board does not act in the interest of the farmer.

"The Dairy Control Board levies the producer 2,9 cents per litre of fresh milk. This is supposed to be applied to advertising and the disposal of surplus milk.

"This represents 7,5 per cent of the fresh milk suppliers' income and could go a long way in making dairy farming a more viable operation.

"The industry, as far as powdered milk is concerned, is in a mess. A surplus of powdered milk had to be exported at a loss. In our country people had to pay more for it than the consumer overseas."

He says the board also fails in its role to promote the product.

"Maas, which is a staple food among black consumers, was recently placed on a special promotion nationwide and the Dairy Board spent R1,6 million on the

AGRICULTURE ^{Control boards} Meat pool problems

Strong opposition is mounting against the proposed "pool" marketing system for the red meat industry.

The Meat Board (MB) has referred its proposals for the implementation of the pool system, suggested by the Jacobs Committee of Investigation into the red meat industry, to all interested parties for comment. These are to be submitted before the end of October.

Reaction from the meat industry is largely negative and includes "that it smells too much of a socialist system." Major objections are that the proposed pool system would remove the incentive to produce quality meat, while pushing up administrative costs (which is admitted by the MB in its proposals).

The MB's proposals stipulate that producers would only receive the *average* price of the specific meat grade sold during the pool period. Producers of better quality or "special" meat sold in that grade would lose the benefit of relatively better prices by "subsidising" the prices of other producers.

Furthermore, control over selling would pass into the hands of the MB and there could be a danger of cartels being formed which could manipulate prices at the lowest reserve price levels.

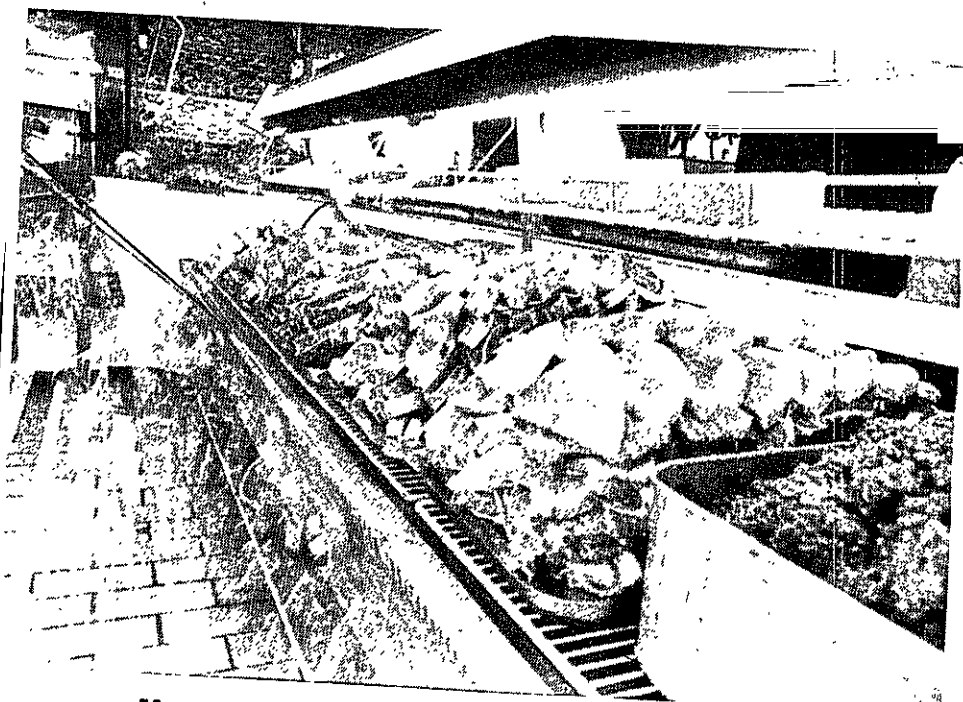
Losing benefits

Producers would, therefore, be worse off than under the present floor price system, while consumers might lose the benefit of "special" cuts of quality meat by this lack of incentive, say industry spokesmen.

The MB proposes that the present floor price support system (the price level at which the MB buys in unsold meat stocks at "controlled" abattoirs, making use of the industry's stabilisation fund) be substituted by a reserve price system. Producers will receive the *average*, or "pooled," price for all meat of the same grade sold during a specified 13-week period, through *voorskot* and *agterskot* payments.

Deputy Minister of Agriculture Gert Kotze says the proposed pool system will remove "the evil of inexplicable and excessive price fluctuations." This has been a bone of contention with some sheep farmers in outlying areas, who cannot understand why prices for the same grades fluctuate on a daily basis.

MB's GM Pieter Coetzee says the Board has not yet decided to implement the pool system. It has merely carried out the instructions of the Minister of Agriculture by "fleshing out" the Jacobs Committee's proposed pool system and submitting its own



Meat marketing ... getting to the bone of it

proposals to interested parties for their comments. ^{Control boards}

Coetzee does not expect a "meat congress" of farmers to test producer reaction. The MB's proposals were also forwarded to the SA Agricultural Union (as the representative producer body) for consideration by its constituent members. The SAAU's National Meat Committee will meet in October to discuss the proposed system.

Manager of Meat Commodity Organisations of the SAAU, Jan van der Walt, says the SAAU has taken no decision on the matter and is now awaiting comments from producers, via farmers' unions.

Van der Walt says producers of mutton, beef and pork have different grades of enthusiasm for the proposed system. Producers who market regularly are also not subject to the same risk of fluctuating prices, while producers in outlying areas, who market only once or twice a year, cannot react as quickly to market changes and are more in favour of the proposed system.

Efficiency rewarded

A spokesman for the Organisation of Livestock Producers (OLP) says the new system "would lessen the competitive spirit between producers, which benefits the industry because efficient producers are rewarded, while the inefficient are penalised" by the market. Under the pool system producers would no longer be rewarded for the finer distinctions in consumer preference for specific gradings of meat.

A pool system should be instituted in those areas where farmers specifically request it. Should it prove successful, the system could then be gradually extended to other areas, or else dropped, if proved to be unworkable, says the spokesman.

Kanhym MD Robin Clark calls price pooling "a bad system," as it would ad-

versely affect the market's price-forming function. "Comparisons with the pool system in the wool industry are not valid. There are a multitude of grades in the wool industry, while wool also relies heavily on the export market. Neither is the case with meat," he says.

In view of the "measure of controversy surrounding the issue," Vleissentraal has decided merely "to evaluate the proposed pool system objectively," and to spell out its pros and cons, says assistant GM Jan Lombard. This evaluation will be discussed at its board meeting early in September and will then be forwarded to producer members for their comments.

Dairy Board

accused of corruption

Carolyn McGibbon

DURBAN — Secret subsidies are being paid by the Dairy Board to big industries while consumers pay sky-high prices for all dairy products.

Subsidies are being paid to organisations like the multimillion-rand cattle feed industry and chocolate and ice-cream manufacturers — without the knowledge of Parliament — in a bid to cover bungling in the dairy industry.

Cattle food manufacturers gain most with a massive subsidy 50 percent higher than that granted to feeding schemes for starving children.

The Sunday Star this week uncovered a number of anomalies within the dairy industry which appear to make a farce of free market principles.

The Dairy Control Board confirmed a subsidy scheme existed to encourage manufacturers to use local dairy products "because of the surplus".

But manufacturers complained the subsidies were selectively administered and unfairly distributed. Consumers will want to know why the subsidies have not been passed on through lower prices.

ICE CREAM

A document shown to *The Sunday Star* this week reveals that, apart from milk subsidies to feeding schemes, subsidies are also given to a variety of manufacturers that use dairy products.

● Ice-cream manufacturers are given a subsidy of R1 a kilogram of butter and R1 a kilogram of skim-milk powder.

● Chocolate factories are given a subsidy of 90 c a kilogram on whole-milk powder and 30 c on skim-milk powder.

● Manufacturers of cattle feeds are given a subsidy of R2,20 a kilogram on skim-milk powder — far more than the reduction given to feeding programmes like Kupugani, Kwashiokor Scheme, Imqualife and the African Children's Feeding Scheme.

Consumer watchdog Jean Tatham of the Housewife's League said: "We know charitable organisations get skimmed milk powder at a R1,50 reduction. But to think ice-cream makers are getting a subsidy is iniquitous."

NOT GAZETTED

"These subsidies have never been gazetted nor made public. Not everybody knows about them. If there are going to be subsidies they must not be done in an underhand way and should be given to all."

She said it was grossly unfair to give subsidies to "pals" of the Dairy Board. It was "corruption, pure and simple," she charged.

It was also inexplicable that makers of stock feeds should be given a subsidy of R2,20 a kilogram, since the milk powder sold for feed purposes was "inedible".

A Dairy Control Board spokesman said the scheme was designed to encourage use of these products "because of the surplus", which had increased dramatically over the past three years.

AGRICULTURE — OTHERS —

CONTROL BOARDS — 1985 — 1986

Chicory workers sacked

(3) Chicory Board's
Weekend Post Correspondent

GRAHAMSTOWN — A group of 149 workers at the Chicory Board factory at Alexandria — more than half of the factory's labour force — were paid off yesterday after a two-day wildcat strike.

All chicory grown in the Eastern Cape, the only chicory producing area in South Africa, is processed by the factory, which is the sole supplier of chicory to domestic coffee manufacturers.

The general manager of the Chicory Control Board, Mr Bernard Weich, said that the strike began when night shift workers prevented day shift workers from entering the factory on Thursday morning.

"The strikers were very disorganised and although we were told they wanted more pay no specific demands were made," he said.

"We suspect that the action had been instigated by a group of about seven contract labourers from Port Elizabeth and that the motive is political.

E. Post 16/2/85
"The workers were given an ultimatum to return to work yesterday or their action would be interpreted as voluntary self-dismissal. None of the 149 responded to the ultimatum and received their wages last evening.

"The 149 strikers will be given the opportunity to re-apply for their old jobs, but will be carefully screened before being re-employed."

Mr Weich said the factory had been unable to accept further deliveries of chicory since Thursday evening and that labour supplied by local farmers was being used to process the R150 000 worth of wet root chicory which had accumulated.

"This should be completed by Monday, after which the factory will come to a temporary standstill before the labour position is restored.

Mr Weich said sufficient stock of dried chicory was on hand to meet the prior demands and the only delay would be to the lifting of crops by farmers.

The MINISTER OF AGRICULTURAL ECONOMICS:

EXPENDITURE OF AGRICULTURAL MARKETING BOARDS, 1983/84

BOARD	(a) R	(b) R
Potato Board	2 124 546	689 579
Dry Bean Board	1 890 430	1 525 077
Dried Fruit Board	1 784 771	1 452 007
Egg Board	9 726 982	7 867 201
Karakul Board	440 552	333 301
Cotton Board	8 734 775	8 368 163
Wheat Board	76 046 631	70 355 379
Lucerne Seed Board	111 669	3 146
Maize Board	154 248 876	146 396 211
Oil Seeds Board	10 201 424	6 828 433
Banana Board	1 585 161	417 113
Canning Fruit Board	506 579	207 496
Rooibos Tea Control Board	2 515 445	2 194 403
Deciduous Fruit Board	17 491 618	9 195 566
Chicory Board	1 160 365	595 958
Citrus Board	4 062 663	430 422
Dairy Board	43 455 415	40 318 641
SA Wool Board	23 213 459	20 112 044
Mohair Board	709 544	396 629
Tobacco Board	12 151 950	11 771 118
Meat Board	28 415 383	18 957 105

Sandton: national monuments

59. Mr D J DALLING asked the Minister of National Education:

- (1) Whether any properties in Sandton have been declared national monuments; if so, which properties;
- (2) whether any properties in Sandton are presently under consideration in this connection; if so, which properties?

The MINISTER OF NATIONAL EDUCATION:

- (1) Yes. The so-called Weber House and the Old Laboratory, both situated on Portion 44 of the farm Driefontein 41 IR, Sandton, were provisionally declared to be national monuments on 22 June 1984. This declaration will lapse on 21 June 1989 if not renewed or altered into a permanent declaration.
- (2) No.

Imports/exports: loss of foreign exchange

134. Mr H H SCHWARZ asked the Minister of Agricultural Economics:

What is the estimated loss of foreign exchange suffered by the Republic in 1984

What is the estimated area that was lost for agricultural purposes as a result of urban development in the 1983-84 financial year?

The MINISTER OF AGRICULTURAL ECONOMICS:

5 979 hectare situated outside the areas of jurisdiction of local authorities were incorporated with such areas during the relevant period.

3 *Carroll Bonds House and boards 28/2/85*
301. Mr P A MYBURGH asked the Minister of Agricultural Economics:

What percentage of South Africa's total agricultural production in the 1983-84 production seasons was not under the control of any board established under the Marketing Act?

The MINISTER OF AGRICULTURAL ECONOMICS:

30.53%.

The MINISTER OF AGRICULTURAL ECONOMICS:

2 *30.53% Hansard 28/2/85*
302. Mr P A MYBURGH asked the Minister of Agricultural Economics:

What was the value of the Republic's

agricultural production/exports

in respect of (a) additional imports and (b) loss of exports attributable to drought conditions in the Republic?

The MINISTER OF AGRICULTURAL ECONOMICS:

	(i)	(ii)	(iii)
	Quantity	Quantity	Total Value
	pockets	pockets	R
Potatoes	122 600 x 15 kg	122 600	163 820
Oranges	9 500 x 10 kg	9 500	9 500
Grapefruit	5 000 x 5 kg	5 000	425
Lemons	700 x 10 kg	700	420
Milkpowder	110 653 kg	110 653	162 856
Meat	214 tons	214	428 038

National Road Fund

319. Mr R A F SWART asked the Minister of Transport Affairs:

- (1) Whether, with reference to his reply to Question No 17 on 15 February 1984, the National Road Fund has been or is to be allocated further funds from petrol sales for the construction of roads; if so, (a) what total amount has been or is to be so

agricultural (a) production and (b) exports in 1984?

The MINISTER OF AGRICULTURAL ECONOMICS:

(a) R8 791,587 million.

(b) All the particulars regarding exports are not yet available but the estimated amount is R1 764 million

Surplus foodstuffs

310. Mr R W HARDINGHAM asked the Minister of Agricultural Economics:

Whether any surplus agricultural foodstuffs grown or produced in the Republic and marketed through control boards were distributed to (a) the underprivileged and (b) welfare organizations during the latest specified 12-month period for which figures are available; if so, (i) what foodstuffs, (ii) what quantity of each foodstuff and (iii) what was the total estimated value of the foodstuffs so distributed?

The MINISTER OF AGRICULTURAL ECONOMICS:

(a) No.

(b) Yes. In some cases the foodstuffs were distributed free of charge, while in other cases it was made available at reduced prices.

allocated and (b) when was it or is to be allocated;

(2) whether he will make a statement on the matter?

The MINISTER OF TRANSPORT AFFAIRS:

(1) Yes.

(a) An additional 1,946 cent per litre which according to

The MINISTER OF AGRICULTURAL ECONOMICS:

EXPENDITURE OF AGRICULTURAL MARKETING BOARDS, 1983/84

BOARD	(a)	(b)
	R	R
Potato Board	2 124 546	689 579
Dry Bean Board	1 890 430	1 525 077
Dried Fruit Board	1 784 771	1 452 007
Egg Board	9 726 982	7 867 201
Karakul Board	440 552	333 301
Cotton Board	8 734 775	8 368 163
Wheat Board	76 046 631	70 355 379
Lucerne Seed Board	111 669	3 146
Maize Board	154 248 876	146 396 211
Oil Seeds Board	10 201 424	6 828 433
Banana Board	1 585 161	417 113
Canning Fruit Board	506 579	207 496
Rooibos Tea Control Board	2 515 445	2 194 403
Deciduous Fruit Board	17 401 618	9 195 566
Chicory Board	1 160 365	595 958
Citrus Board	4 062 663	430 422
Dairy Board	43 455 415	40 318 641
SA Wool Board	23 213 459	20 112 044
Mohar Board	709 544	396 629
Tobacco Board	12 151 950	11 771 118
Meat Board	28 415 383	18 957 105

Sandton: national monuments

59. Mr D J DALLING asked the Minister of National Education:

- Whether any properties in Sandton have been declared national monuments; if so, which properties;
- whether any properties in Sandton are presently under consideration in this connection; if so, which properties?

The MINISTER OF NATIONAL EDUCATION:

- Yes. The so-called Weber House and the Old Laboratory, both situated on Portion 44 of the farm Driefontein 41 IR, Sandton, were provisionally declared to be national monuments on 22 June 1984. This declaration will lapse on 21 June 1989 if not renewed or altered into a permanent declaration.
- No.

Imports/exports: loss of foreign exchange

134. Mr H H SCHWARZ asked the Minister of Agricultural Economics:

What is the estimated loss of foreign exchange suffered by the Republic in 1984?

HoA

or the latest specified 12-month or other period for which figures are available, in respect of (a) additional imports and (b) loss of exports attributable to drought conditions in the Republic?

The MINISTER OF AGRICULTURAL ECONOMICS:

- R1 057 million in respect of 1984.
- R 289 million in respect of 1984.

Handwritten: Bread/margarine/butter: subsidies
251. Mr E K MOORCROFT asked the Minister of Agricultural Economics:

What amount was paid out in subsidies in respect of (a) bread, (b) maize and (c) butter for consumer use in the 1983-84 financial year?

The MINISTER OF AGRICULTURAL ECONOMICS:

- R267 613 310.
- R132 168 497.
- R 966 604.

Area lost for agricultural purposes

252. Mr E K MOORCROFT asked the Minister of Agricultural Economics:

What is the estimated area that was lost for agricultural purposes as a result of urban development in the 1983-84 financial year?

The MINISTER OF AGRICULTURAL ECONOMICS:

5 979 hectare situated outside the areas of jurisdiction of local authorities were incorporated with such areas during the relevant period.

Handwritten: Control Boards have and Agricultural production not under control of boards 28/2/85
301. Mr P A MYBURGH asked the Minister of Agricultural Economics:

What percentage of South Africa's total agricultural production in the 1983-84 production seasons was not under the control of any board established under the Marketing Act?

The MINISTER OF AGRICULTURAL ECONOMICS:

30,53%.

Handwritten: Production/exports 28/2/85
302. Mr P A MYBURGH asked the Minister of Agricultural Economics:

What was the value of the Republic's

(i)	(ii)	(iii)
	Quantity	Total Value
	pockets	R
Potatoes	122 600 x 15 kg	163 820
Oranges	9 500 x 10 kg	9 500
Grapefruit	5 000 x 5 kg	425
Lemons	700 x 10 kg	420
Milkpowder	110 653 kg	162 856
Meat	214 tons	428 058

National Road Fund

319. Mr R A F SWART asked the Minister of Transport Affairs:

- Whether, with reference to his reply to Question No 17 on 15 February 1984, the National Road Fund has been or is to be allocated further funds from petrol sales for the construction of roads; if so, (a) what total amount has been or is to be so

agricultural (a) production and (b) exports in 1984?

The MINISTER OF AGRICULTURAL ECONOMICS:

- R8 701,587 million

- All the particulars regarding exports are not yet available but the estimated amount is R1 764 million.

Surplus foodstuffs

310. Mr R W HARDINGHAM asked the Minister of Agricultural Economics:

Whether any surplus agricultural foodstuffs grown or produced in the Republic and marketed through control boards were distributed to (a) the underprivileged and (b) welfare organizations during the latest specified 12-month period for which figures are available; if so, (i) what foodstuffs, (ii) what quantity of each foodstuff and (iii) what was the total estimated value of the foodstuffs so distributed?

The MINISTER OF AGRICULTURAL ECONOMICS:

- No.

- Yes. In some cases the foodstuffs were distributed free of charge, while in other cases it was made available at reduced prices.

allocated and (b) when was it or is it to be allocated?

(2) whether he will make a statement on the matter?

The MINISTER OF TRANSPORT AFFAIRS:

- Yes.

- An additional 1,946 cent per litre which according to esti-

HoA

Youth clubs/committees
Youth for Christ
Youth Theatre Foundation

Zululand Theatrical Society

Nature of projects	(b) and (c) Number of projects	Grant (R)
Acculturation of immigrants	16	16 539
Leadership	73	16 802
Philosophy of life	35	5 569
Human relations	26	4 085
Human Sciences (not-classified)	84	18 091
Nature-directed	86	13 557
Natural Sciences (not-classified)	18	5 310
Family Education	46	4 081
Homemaking	66	2 296
Visual Arts	43	12 135
Music	86	22 695
Literary Arts	53	10 595
Land Service	216	70 135
TOTAL	848	201 890

(2) Yes.

(a) and (b)

Organization
Atrkamer-Volkswag
Brass band, Durbanville High School
N.G. Kerk-jeugakste

THURSDAY, 28 FEBRUARY 1985

†Indicates translated version.

For written reply:

General Affairs:

Sport: active participation

21. Mr D J DALLING asked the Minister of National Education:

(a) What is the estimated number of persons of all race groups who actively participate in each kind of sport and (b) in respect of what date is this information furnished?

The MINISTER OF NATIONAL EDUCATION:

(a) The following numbers of affiliated members have been furnished by the Nat-

Kind of Sport	Number of persons
Aerobatics	4 000
Aerogymnastics	2 136
Athletics	27 500
Basketball	2 120
Billiards and Snooker	1 600
Inland Casting	140
Baseball	3 223
Boxing	33 580
Archery	700
Surfing	2 860
Wave Ski Surfing	450
Bridge	35 000
Croquet	393
Service Shooting	630
Cycling	1 713
Formula "K"	250
Weight Lifting	180
Golf (Men)	53 000
Golf (Women)	7 502

ional Controlling Bodies in respect of each kind of sport:

Kind of Sport

Number of persons

Kind of Sport

Number of persons

Gymnastics	6 070	Schwinger	1 100
Gymkhana	1 500	Cruising	2 061
Handball	495	Yachting	5 354
Hanggliding	400	Chess	2 100
Hockey (Men)	16 000	Sheepdog	280
Hockey (Women)	7 850	Fencing	529
Ju Jitsu	235	Skiboat Angling	7 280
Judo	6 200	Snow Skiing	1 342
Jukstei	9 947	Sport for the Deaf	800
Canoeing	3 000	Sport for Physically Disabled	4 000
Clay Pigeon Shooting	20 000	Game Fish Angling	1 300
Small-Bore Rifle Shooting	619	Wrestling	9 280
Korfball	600	Surf Life-Saving	2 737
Power Boating	16 000	Gliding	600
Power Lifting	6 720	Swimming	8 939
Power Flying	400	Table Tennis	6 400
Cricket (Men)	811	Tennis	80 000
Cricket (Women)	15 546	Tenpin Bowling	3 000
Body Building	120	Tug-of-War	3 185
Light Tackle Boat Angling	1 735	Trampoline and Tumbling	3 200
Air Rifle Shooting	3 400	Home Built Aircraft	650
Masters Athletics	200	Endurance Riding	520
Microlight Aeroplanes	3 500	Parachuting	2 245
Model Power Boating	150	Freshwater Angling	7 524
Model Yachting	150	Darts (Men)	7 000
Model Scale Boating	75	Darts (Women)	430
Modern Pentathlon	686	Casting	450
Motor Sport	5 847	Vintage Cars	3 500
Squash (Men)	100 000	Volleyball	1 500
Squash (Women)	5 000	Soccer (Men)	458 927
National Shooting	1 370	Soccer (Women)	6 500
Netball	252 600	Hot Air Ballooning	100
Underwater Sport	3 200	Waterskiing	4 075
Pistol Shooting	2 700	Water Safety	9 469
Badminton	10 700	Curling	54
Polo	320	Ice-Hockey	300
Polorosse	644	Ice-Skating	3 360
Pony Club	1 240		
Homing Pigeon	5 000		
Practical Shooting	2 500		
Radio Motordrivers	600		
Radio Flyers	1 500		
Tennis	1 600		
Rowing	2 100		
Bowls (Men)	39 108		
Bowls (Women)	27 761		
Bowls for the Blind	370		
Roller Hockey	360		
Roller Skating	541		
Rock and Surf Angling	5 300		
Rugby	268 366		
Equestrian Sport	4 670		
Softball	3 000		

(b) For the twelve months ending 30 June 1984.

39. Mr P A MYBURGH asked the Minister of Agricultural Economics:

What was the total cost, (a) including and (b) excluding administration expenditure, of each board established in terms of the Marketing Act for the financial year 1983-84?

39. *Control Boards Howard*
Marketing boards 28/2/85



The MINISTER OF AGRICULTURAL ECONOMICS:

EXPENDITURE OF AGRICULTURAL MARKETING BOARDS, 1983/84

BOARD	R	
	(a)	(b)
Potato Board	2 124 546	689 579
Dry Bean Board	1 890 430	1 525 077
Dried Fruit Board	1 784 771	1 452 077
Egg Board	9 726 982	7 867 201
Karakul Board	440 552	333 301
Cotton Board	8 734 775	8 368 163
Wheat Board	76 046 631	70 355 379
Lucerne Seed Board	111 669	3 146
Maize Board	154 248 876	146 396 211
Oil Seeds Board	10 201 424	6 828 433
Banana Board	1 385 161	417 113
Canning Fruit Board	506 579	207 496
Rooibos Tea Control Board	2 515 445	2 195 403
Deciduous Fruit Board	17 491 618	9 195 566
Chicory Board	1 160 365	595 958
Citrus Board	4 062 663	430 422
Dairy Board	43 455 415	40 318 641
SA Wool Board	23 213 459	20 112 044
Mohar Board	709 544	396 629
Tobacco Board	12 151 950	11 771 118
Meat Board	28 415 383	18 957 105

Sandton: national monuments

59. Mr D J DALLING asked the Minister of National Education:

- (1) Whether any properties in Sandton have been declared national monuments; if so, which properties;
- (2) whether any properties in Sandton are presently under consideration in this connection; if so, which properties?

The MINISTER OF NATIONAL EDUCATION:

- (1) Yes. The so-called Weber House and the Old Laboratory, both situated on Portion 44 of the farm Driefontein 41 IR, Sandton, were provisionally declared to be national monuments on 22 June 1984. This declaration will lapse on 21 June 1989 if not renewed or altered into a permanent declaration.
- (2) No.

Imports/exports: loss of foreign exchange

134. Mr H H SCHWARZ asked the Minister of Agricultural Economics:

What is the estimated loss of foreign exchange suffered by the Republic in 1984

or the latest specified 12-month or other period for which figures are available, in respect of (a) additional imports and (b) loss of exports attributable to drought conditions in the Republic?

The MINISTER OF AGRICULTURAL ECONOMICS:

(a) R1 057 million in respect of 1984.

(b) R 289 million in respect of 1984.

Handwritten: Bread/malt/dairy subsidies 244
251. Mr E K MOORCROFT asked the Minister of Agricultural Economics:

What amount was paid out in subsidies in respect of (a) bread, (b) maize and (c) butter for consumer use in the 1983-84 financial year?

The MINISTER OF AGRICULTURAL ECONOMICS:

(a) R267 613 310.

(b) R132 168 497.

(c) R 966 604.

Area lost for agricultural purposes

252. Mr E K MOORCROFT asked the Minister of Agricultural Economics:

What is the estimated area that was lost for agricultural purposes as a result of urban development in the 1983-84 financial year?

The MINISTER OF AGRICULTURAL ECONOMICS:

5 979 hectare situated outside the areas of jurisdiction of local authorities were incorporated with such areas during the relevant period.

Handwritten: Area and agricultural production not under control of boards 28/2/85
301. Mr P A MYBURGH asked the Minister of Agricultural Economics:

What percentage of South Africa's total agricultural production in the 1983-84 production seasons was not under the control of any board established under the Marketing Act?

The MINISTER OF AGRICULTURAL ECONOMICS:

30.53%.

Handwritten: Production/exports 28/2/85
302. Mr P A MYBURGH asked the Minister of Agricultural Economics:

What was the value of the Republic's

(i)	(ii)	(iii)
	Quantity	Total Value
	pockets	R
Potatoes	122 600 x 15 kg	163 820
Oranges	9 500 x 10 kg	9 500
Grapefruit	5 000 x 5 kg	425
Lemons	700 x 10 kg	420
Milkpowder	110 653 kg	162 856
Meat	214 tons	428 058

National Road Fund

319. Mr R A F SWART asked the Minister of Transport Affairs:

- (1) Whether, with reference to his reply to Question No 17 on 15 February 1984, the National Road Fund has been or is to be allocated further funds from petrol sales for the construction of roads; if so, (a) what total amount has been or is to be so

agricultural (a) production and (b) exports in 1984?

The MINISTER OF AGRICULTURAL ECONOMICS:

(a) R8 791,587 million.

(b) All the particulars regarding exports are not yet available but the estimated amount is R1 764 million.

Surplus foodstuffs

310. Mr R W HARDINGHAM asked the Minister of Agricultural Economics:

Whether any surplus agricultural foodstuffs grown or produced in the Republic and marketed through control boards were distributed to (a) the underprivileged and (b) welfare organizations during the latest specified 12-month period for which figures are available; if so, (i) what foodstuffs, (ii) what quantity of each foodstuff and (iii) what was the total estimated value of the foodstuffs so distributed?

The MINISTER OF AGRICULTURAL ECONOMICS:

(a) No.

(b) Yes. In some cases the foodstuffs were distributed free of charge, while in other cases it was made available at reduced prices.

The MINISTER OF TRANSPORT AFFAIRS:

(1) Yes.

(a) An additional 1,946 cent per litre which according to esti-

Youth clubs/committees
Youth for Christ
Youth Theatre Foundation

Zululand Theatrical Society

Nature of projects	(b) and (c) Number of projects	Grant (R)
Acculturation of immigrants	16	16 539
Leadership	73	16 802
Philosophy of life	35	5 569
Human relations	26	4 085
Human Sciences (not-classified)	84	18 091
Nature-directed	86	13 557
Natural Sciences (not-classified)	18	5 310
Family Education	46	4 081
Homemaking	66	2 296
Visual Arts	43	12 135
Music	86	22 695
Literary Arts	53	10 595
Land Service	216	70 135
TOTAL	848	201 890

(2) Yes.
(a) and (b)
Organization
Afrikaner-Volkswag
Brass band, Durbanville High School
N.G. Kerk-jeugaksie

THURSDAY, 28 FEBRUARY 1985

Indicates translated version.
For written reply:

General Affairs:

Sport: active participation

21. Mr D J DALLING asked the Minister of National Education:

(a) What is the estimated number of persons of all race groups who actively participate in each kind of sport and (b) in respect of what date is this information furnished?

The MINISTER OF NATIONAL EDUCATION:

(a) The following numbers of affiliated members have been furnished by the Nat-

ional Controlling Bodies in respect of each kind of sport:

Kind of Sport	Number of persons
Aerobatics	4 000
Aerogymnastics	2 136
Athletics	27 500
Basketball	2 120
Billiards and Snooker	1 600
Inland Casting	140
Baseball	3 223
Boxing	33 580
Archery	700
Surfing	2 860
Wave Ski Surfing	450
Bridge	35 000
Croquet	393
Service Shooting	630
Cycling	1 713
Formula "K"	250
Weight Lifting	180
Golf (Men)	53 000
Golf (Women)	7 502

Kind of Sport

Number of persons

Kind of Sport

Number of persons

Gymnastics	6 070	Schwinger	1 100
Gymkhana	1 500	Cruising	2 000
Handball	495	Yachting	5 300
Hanggliding	400	Chess	2 100
Hockey (Men)	16 000	Sheepdog	280
Hockey (Women)	7 850	Fencing	529
Ju Jitsu	235	Skiboat Angling	7 280
Judo	6 200	Snow Skiing	1 342
Karate	9 947	Sport for the Deaf	810
Canoeing	3 000	Sport for Physically Disabled	4 000
Clay Pigeon Shooting	20 000	Game Fish Angling	1 300
Small-Bore Rifle Shooting	619	Wrestling	9 280
Korfball	600	Surf Life-Saving	2 730
Power Boating	16 000	Gliding	600
Power Lifting	6 720	Swimming	8 930
Power Flying	400	Table Tennis	6 400
Cricket (Men)	15 546	Tennis	80 000
Cricket (Women)	120	Tennis Bowling	3 000
Body Building	1 735	Tug-of-War	3 185
Light Tackle Boat Angling	3 400	Trampoline and Tumbling	3 200
Air Rifle Shooting	200	Home Built Aircraft	650
Masters Athletics	3 500	Endurance Riding	520
Microflight Aeroplanes	150	Parachuting	2 245
Model Power Boating	230	Freshwater Angling	7 524
Model Yachting	150	Darts (Men)	7 000
Model Scale Boating	75	Darts (Women)	430
Modern Pentathlon	686	Casting	450
Motor Sport	5 847	Vintage Cars	3 500
Squash (Men)	100 000	Volleyball	1 500
Squash (Women)	5 000	Soccer (Men)	458 927
National Shooting	1 370	Soccer (Women)	6 500
Netball	252 600	Hot Air Ballooning	100
Underwater Sport	3 200	Waterskiing	407
Pistol Shooting	2 700	Water Safety	0 000
Badminton	10 700	Curling	51
Polo	320	Ice-Hockey	300
Polocrosse	644	Ice-Skating	3 360
Pony Club	1 240		
Homing Pigeon	5 000		
Practical Shooting	2 500		
Radio Motor Drivers	600		
Radio Flyers	1 500		
Tenniquits	1 600		
Rowing	2 100		
Bowls (Men)	39 108		
Bowls (Women)	27 761		
Bowls for the Blind	370		
Roller Hockey	360		
Roller Skating	541		
Rock and Surf Angling	5 300		
Rugby	268 366		
Equestrian Sport	4 670		
Softball	3 000		

(b) For the twelve months ending 30 June 1984

3 *Control Boards* *Hann*
Marketing boards 28/2/85
39. Mr P A MYBURGH asked the Minister of Agricultural Economics:

What was the total cost, (a) including and (b) excluding administration expenses, of each board established in terms of the Marketing Act for the financial year 1983-84?

The MINISTER OF AGRICULTURAL ECONOMICS:
EXPENDITURE OF AGRICULTURAL MARKETING BOARDS, 1983/84

BOARD	R	
	(a)	(b)
Potato Board	2 124 546	689 579
Dry Bean Board	1 890 430	1 525 077
Dried Fruit Board	1 784 771	1 452 007
Egg Board	9 726 982	7 867 201
Karakul Board	440 552	333 301
Cotton Board	8 734 775	8 368 163
Wheat Board	76 046 631	70 355 379
Lucerne Seed Board	111 669	3 146
Maize Board	154 248 876	146 396 211
Oil Seeds Board	10 201 424	6 828 433
Banana Board	1 585 161	417 113
Canning Fruit Board	506 579	207 496
Rooibos Tea Control Board	2 515 445	2 194 403
Deciduous Fruit Board	17 491 618	9 195 566
Chicory Board	1 160 365	595 958
Citrus Board	4 062 663	430 422
Dairy Board	43 455 415	40 318 641
SA Wool Board	23 213 459	20 112 044
Mohar Board	709 544	396 629
Tobacco Board	12 151 950	11 771 118
Meat Board	28 415 383	18 957 105

Sandton: national monuments

59. Mr D J DALLING asked the Minister of National Education:

- (1) Whether any properties in Sandton have been declared national monuments; if so, which properties;
- (2) whether any properties in Sandton are presently under consideration in this connection; if so, which properties?

The MINISTER OF NATIONAL EDUCATION:

- (1) Yes. The so-called Weber House and the Old Laboratory, both situated on Portion 44 of the farm Driefontein 41 IR, Sandton, were provisionally declared to be national monuments on 22 June 1984. This declaration will lapse on 21 June 1989 if not renewed or altered into a permanent declaration.
- (2) No.

Imports/exports: loss of foreign exchange

134. Mr H H SCHWARZ asked the Minister of Agricultural Economics:

What is the estimated loss of foreign exchange suffered by the Republic in 1984

HoA

What is the estimated area that was lost for agricultural purposes as a result of urban development in the 1983-84 financial year?

The MINISTER OF AGRICULTURAL ECONOMICS:

5 979 hectare situated outside the areas of jurisdiction of local authorities were incorporated with such areas during the relevant period.
Agricultural production not under control of boards 28/2/85

301. Mr P A MYBURGH asked the Minister of Agricultural Economics:

What percentage of South Africa's total agricultural production in the 1983-84 production seasons was not under the control of any board established under the Marketing Act?

The MINISTER OF AGRICULTURAL ECONOMICS:

30.53%.

302. Mr P A MYBURGH asked the Minister of Agricultural Economics:

What was the value of the Republic's

(i)	(ii) Quantity	(iii) Total Value R
Potatoes	122 600 x 15 kg	163 820
Oranges	9 500 x 10 kg	9 500
Grapfruit	5 000 x 5 kg	425
Lemons	700 x 10 kg	420
Milkpowder	110 653 kg	162 856
Meat	214 tons	428 058

National Road Fund

319. Mr R A F SWART asked the Minister of Transport Affairs:

- (1) Whether, with reference to his reply to Question No 17 on 15 February 1984, the National Road Fund has been or is to be allocated further funds from petrol sales for the construction of roads; if so, (a) what total amount has been or is to be so

agricultural (a) production and (b) exports in 1984?

The MINISTER OF AGRICULTURAL ECONOMICS:

- (a) R8 791,587 million.
- (b) All the particulars regarding exports are not yet available but the estimated amount is R1 764 million

310. Mr R W HARDINGHAM asked the Minister of Agricultural Economics:

Whether any surplus agricultural products grown or produced in the Republic and marketed through control boards were distributed to (a) the underprivileged and (b) welfare organizations during the latest specified 12-month period for which figures are available; if so, (i) what foodstuffs, (ii) what quantity of each foodstuff and (iii) what was the total estimated value of the foodstuffs so distributed?

The MINISTER OF AGRICULTURAL ECONOMICS:

- (a) No.
- (b) Yes. In some cases the foodstuffs were distributed free of charge, while in other cases it was made available at reduced prices.

HoA

contract is terminated by effluxion of time on completion of the five year prescribed period of apprenticeship. The question of the position of person who fail a qualifying trade test is dealt with in the report and recommendations of the Committee of Inquiry into the Training of Artisans.

- (3) It is anticipated that the Cabinet will authorize the issuing of a general press statement upon the release of the report.

Motor mechanics 9/14/85
Q. Col. 935
 11. Dr A. LEBORAINÉ asked the Minister of Manpower:

- (1) Whether any changes are contemplated in the qualification requirements of motor mechanics; if not, why not; if so, (a) what changes and (b) when will they be implemented;

- (2) whether consideration will be given to including more practical training in the courses for apprentice motor mechanics at technical colleges; if not, why not; if so, when will this be implemented;

- (3) whether he will make a statement on the matter?

The MINISTER OF MANPOWER:

- (1) The Department of Manpower is not aware of any changes being contemplated for the qualifying entry requirements for apprentice motor mechanics. The national Manpower Training Committee for the Motor Industry is representative of employers organizations and trade unions in this industry and that body is primarily responsible for suggesting changes to the conditions of apprenticeship, which include entry qualifications

- (a) Revised conditions of apprenticeship were published under

Government Notices R.1461 on 16 July 1982, R.252 on 11 February 1983 and R.1696 of 10 August 1984. An amendment relating to wages was published recently and a change to certain practical training schedules is in the process of finalization.

- (b) Falls away.

- (2) The Department of Manpower is aware that at selected Technical Colleges an integrated motor/diesel theory course for the National Technical Certificate Parts I and II is conducted during which the theory of the trade is supplemented by practical demonstrations. Since the contents of theoretical courses fall outside the jurisdiction of the Department of Manpower, enquiries thereabout should be directed to the Department of National Education and the various Departments of Education and Culture as well as the Department of Education and Training.

- (3) A comprehensive report—with recommendations—by the Human Sciences Research Council and the National Training Board into the Training of Apprentices and Artisans has been submitted to the Cabinet for approval of its tabling in Parliament for general information and with a view to certain follow-up action and it is anticipated that the Cabinet will authorize the issuing of a general press statement upon the release of the report.

Waathoek Natal 9/14/85
Q. Col. 936
 *13. Mr M A TARR asked the Minister of Co-operation, Development and Education:

- (1) Whether Waathoek near Ladysmith in Natal has been or is being developed as a resettlement area; if so, (a) how many sites have been completed in this area, (b) what specified communities are to be resettled there, (c) why are they being moved and (d)

what was the total cost involved in developing the area for resettlement;

- (2) whether these communities were consulted on the proposed move; if not, why not; if so, when in each case, (a) were they consulted and (b) are they due to be moved;

- (3) whether these communities expressed any objections to being moved; if so, what were their objections?

THE DEPUTY MINISTER OF DEVELOPMENT AND OF LAND AFFAIRS:

- (1) Yes.

(a) A closer settlement of 3 447 sites in total has been planned of which 1 800 sites are at present being developed.

(b) Illegal squatters residing on White owned farms who are required to vacate the farms on which they reside.

(c) They have no right to reside on these farms. Therefore the Department of Co-operation and Development is making preparations to provide accommodation for them elsewhere.

(d) The development has not yet been completed. The estimated total cost is R8 600 000 of which R1 000 000 has already been spent.

- (2) and (3) Squatter families, when they are required to vacate these farms, are informed of this place of settlement and, if they agree to move there and require help, it is rendered to them.

Control Boards 9/14/85
Q. Col. 937
 *14. Mr M A TARR asked the Minister of Agricultural Economics:

- (1) Whether the national Marketing Council has investigated or is investi-

gating the operation of the control boards; if so,

- (2) whether the Council has submitted a report on its investigation; if so, when will this report be made public; if not, when is it anticipated that the report will be available?

THE MINISTER OF AGRICULTURAL ECONOMICS:

- (1) Yes.

(2) Yes. Priority was given to the Dairy Scheme and the National Marketing Council's report on this scheme has already been finalized and made available to the interested parties.

The remaining schemes are being investigated simultaneously by the National Marketing Council and it is anticipated that the investigation will be completed within the next 18 months.

Conveyance of money between banks: security measures

*15. Mr M A TARR asked the Minister of Communications:

Whether any special security measures are taken regarding the conveyance of money between banks via the postal system; if not, why not; if so, what is the nature of these security measures?

THE MINISTER OF COMMUNICATIONS:

Yes. The further information required by the hon member cannot unfortunately be furnished as the whole object of the security measures that are being applied will be defeated if details thereof were to be publicised.

Death of M Tyuka 9/14/85
Q. Col. 938
 *16. Mr E K MOORCROFT asked the Minister of Law and Order:

- (1) Whether, with reference to his reply to Question No 35 on 12 February

contract is terminated by effluxion of time on completion of the five year prescribed period of apprenticeship. The question of the position of person who fail a qualifying trade test is dealt with in the report and recommendations of the Committee of Inquiry into the Training of Artisans.

- (3) It is anticipated that the Cabinet will authorize the issuing of a general press statement upon the release of the report.

Howard
Motor mechanics 9/14/85
1. Dr A L BORRAINE asked the Minister of Manpower:

- (1) Whether any changes are contemplated in the qualification requirements of motor mechanics; if not, why not; if so, (a) what changes and (b) when will they be implemented;

- (2) whether consideration will be given to including more practical training in the courses for apprentice motor mechanics at technical colleges; if not, why not; if so, when will this be implemented;

- (3) whether he will make a statement on the matter?

THE MINISTER OF MANPOWER:

- (1) The Department of Manpower is not aware of any changes being contemplated to the qualifying entry requirements for apprentice motor mechanics. The national Manpower Training Committee for the Motor Industry is representative of employers organizations and trade unions in this industry and that body is primarily responsible for suggesting changes to the conditions of apprenticeship, which include entry qualifications.

- (a) Revised conditions of apprenticeship were published under

what was the total cost involved in developing the area for resettlement;

- (2) whether these communities were consulted on the proposed move; if not, why not; if so, when in each case. (a) were they consulted and (b) are they due to be moved;

- (3) whether these communities expressed any objections to being moved; if so, what were their objections?

THE DEPUTY MINISTER OF DEVELOPMENT AND OF LAND AFFAIRS:

- (1) Yes.

(a) A closer settlement of 3 447 sites in total has been planned of which 1 800 sites are at present being developed.

(b) Illegal squatters residing on white owned farms who are required to vacate the farms on which they reside.

(c) They have no right to reside on these farms. Therefore the Department of Co-operation and Development is making preparations to provide accommodation for them elsewhere.

(d) The development has not yet been completed. The estimated total cost is R8 600 000 of which R1 000 000 has already been spent.

gating the operation of the control boards; if so.

- (2) whether the Council has submitted a report on its investigation; if so, when will this report be made public; if not, when is it anticipated that the report will be available?

THE MINISTER OF AGRICULTURAL ECONOMICS:

- (1) Yes.

(2) Yes. Priority was given to the Dairy Scheme and the National Marketing Council's report on this scheme has already been finalized and made available to the interested parties.

The remaining schemes are being investigated simultaneously by the National Marketing Council and it is anticipated that the investigation will be completed within the next 18 months.

Conveyance of money between banks: security measures

*15. Mr M A TARR asked the Minister of Communications:

Whether any special security measures are taken regarding the conveyance of money between banks via the postal system; if not, why not; if so, what is the nature of these security measures?

THE MINISTER OF COMMUNICATIONS:

Yes. The further information required by the hon member cannot unfortunately be furnished as the whole object of the security measures that are being applied will be defeated if details thereof were to be published.

*16. Mr E K MOORCROFT asked the Minister of Law and Order:

- (1) Whether, with reference to his reply to Question No. 35 on 12 February

and (3) Squatter families, when they are required to vacate these farms, are informed of this place of settlement and, if they agree to move there and require help, it is rendered to them.

- (2) Whether Waitshoek near Ladysmith in Natal has been or is being developed as a resettlement area; if so, (a) how many sites have been completed in this area, (b) what specified communities are to be resettled there, (c) why are they being moved and (d)

THE DEPUTY MINISTER OF DEVELOPMENT AND OF LAND AFFAIRS:

- (1) Yes.

(a) A closer settlement of 3 447 sites in total has been planned of which 1 800 sites are at present being developed.

(b) Illegal squatters residing on white owned farms who are required to vacate the farms on which they reside.

(c) They have no right to reside on these farms. Therefore the Department of Co-operation and Development is making preparations to provide accommodation for them elsewhere.

(d) The development has not yet been completed. The estimated total cost is R8 600 000 of which R1 000 000 has already been spent.

(2) Whether Waitshoek near Ladysmith in Natal has been or is being developed as a resettlement area; if so, (a) how many sites have been completed in this area, (b) what specified communities are to be resettled there, (c) why are they being moved and (d)

*13. Mr M A TARR asked the Minister of Co-operation, Development and Education:

- (1) Whether the national Marketing Council has investigated or is investigat-

~~Wentzel asked~~ ^{Control}
Wentzel asked ^{Records}
to choose any
8 from ^{B. Day} 16 in
maize pool ^{16/5/85}

By GERALD REILLY

THE Maize Board is still without a quorum after the resignation of eight producer members in protest against this season's price freeze.

However, the National Maize Producers' Organisation (Nampo) has submitted a list of 16 names of producers to Minister of Agriculture Greyling Wentzel which includes those of the resigned members.

He has made it clear he has no intention of re-appointing the eight rebel members.

After a meeting with the Nampo executive last week, Wentzel said the eight had resigned because the price fix and the method of price fixing were unacceptable to them.

Control boards, he said, would be making decisions on administered price arrangements for the 1985/86 season and it was preferable that this function should be carried out by a board on which new producer representatives served.

Wentzel said amendments to marketing arrangements — including the two-market system — were being urgently considered and would probably be completed by October.

These amendments could include changes in the composition of the Maize Board.

I
h
f
L
m
ch
y
h
la
b
s
B
w
i
t
i
p
c
ed
ap
an
c
d
H
w
i
c
e
r
i
c
e

9/15/85 ~~(3)~~ Control
Meat Board control bid

By Ciaran Ryan *S. Times Boards*

THE Organisation of Livestock Producers is trying to gain control of the Meat Board.

Executive director Roy van der Westhuizen says the board no longer represents the interests of livestock producers.

"The meat industry is worth R1,5-billion a year at producer level and R7-billion in total. Someone is making a lot of money along the way and not enough of this goes to the producer."

Mr van der Westhuizen says the board is trying to introduce more controls, making it more difficult for the small farmer.

In spite of claims that a maize price rise would have meant more expensive meat to the consumer, Mr van der Westhuizen says this is not necessarily the case.

"Livestock farmers are convinced that other feeds can be substituted 100% for maize."

Livestock producers use an estimated 1,5-million tons of mealies, worth R325,5-million a year to the maize industry.

The Organisation of Livestock Producers represents 1 000 farmers.

~~Statement~~

(3) Control Board

Wheat Board says act is acceptable

20/5/85

Dispatch Correspondent
PRETORIA — The Wheat Board rejects any attempts to bring about drastic changes in the objectives of the Marketing Act, a board spokesman said after a meeting of the board here last week.

The board's view was that there was sufficient scope within the framework of the Marketing Act to achieve consensus on prices through negotiations with the authorities and other interested parties.

The board, the spokesman said, had noted the present controversy surrounding the marketing of agricultural products. This is seen by observers as a reference to the demands of the maize industry and the agitation

for changes in the marketing system.

The Wheat Board spokesman said on account of the board's market-related approach, and its approach to producer prices, there had been a steady growth in the consumption of wheat products. This was testimony to the sound relationship between wheat producers, the Wheat Board, the authorities and the end consumer.

The Wheat Board reaffirmed its support for the one channel fixed price system where producers' wheat was marketed by the board.

This was not regarded as an instrument to promote the interests of primary producers un-

ilaterally, but to find the best possible arrangements for all branches of the wheat industry, including the consumer

Chicken licking meat off tables

Untied poultry flying higher

POULTRY is sweeping red meat off many dinner tables because it is not shackled by controls and its price is determined by supply and demand.

Poultry expert Desmond Lurie, chairman of the County Fair Food Group of companies, says the chicken success story is due largely to these two factors.

He adds that the chicken share of the meat market soared from 22% in 1974 to 31% in 1984. Chicken production has increased by a massive 438% since 1965, compared to beef's 22%, mutton's 3% and pork's 59%.

"The meat industry itself has estimated that per-capita consumption of poultry will exceed that of meat by the turn of the century."

In contrast, consumer support for red meat has dwindled by 27% in the past 25 years, according to Roy van der Westhuizen, spokesman for the Organisation of Livestock Producers.

The OLP does not represent poultry-

By PETER WALLINGTON
and CHRIS CAIRNCROSS

men — only cattle, sheep and pig farmers.

Van der Westhuizen says the SA popularity of poultry in relation to red meat was the highest in the world.

For every 65kg of white meat South Africans eat 100kg of red meat. In comparison, the ratio in Brazil was 44:100 while in New Zealand it was 3:100.

"The argument that red meat is universally more expensive than white is not true. In Australia the white meat farmer is battling to compete with the red meat farmer."

He says that while the red meat industry is controlled, the chicken farmers may sell as much as they can to whoever they want to, so long as they adhere to certain slaughtering standards.

The Meat Board's Koos Blignaut says that to compare chicken to red meat is like comparing beer and champagne. He says people are asking red meat farmers to sell their goods for less than it cost them to produce just because there is a glut.

He says that chicken farmers can close their operation if the going gets tough but red meat farmers cannot. They farm on land that is only good for grazing and have to persevere.

Speaking at a function on Tuesday night, Lurie said the poultry sector was turning over R700m a year and wanted nothing to do with the Meat Board.

Lurie said the chicken sales growth could never have been attained had it not been for the combined marketing resources and foresight of both the producer and retailer.

"Marketing in the chicken industry is a multi-faceted approach," Lurie claimed.

He derided the Meat Board for using advertising in the media as its sole marketing tool.

~~(2)~~ (3) Control Board's
21/8/84 B. Day
Grain producers break
away from Maize Board

Pretoria Bureau

GRAIN sorghum producers yesterday voted to break away from the Maize Board and establish their own control board.

Delegates to the National Grain Sorghum congress in Pretoria criticised the board's marketing of sorghum surpluses.

They added that it did not make sense to trust the board with the marketing of sorghum, which was competing more strongly with maize in the feed industry.

NGS Committee Chairman W M Leonard said the industry had never been so weak.

The Maize Board received 400 000 tons of grain and little had been sold.

"During the 1984 Maize Board meeting, we learned with shock that the surplus of 60 000 tons was not sold," said Leonard.

He said storage costs were about R5 a ton.

Referring to this year's harvest,

he said at the Maize Board meeting on June 25 "we learned there was a surplus of 435 000 tons.

"We expressed concern over the marketing of the surplus, particularly as we were told at least 200 000 tons would have to be exported at a big loss.

"The NGS committee recommended the board call for tenders for the surplus from feed manufacturers, the feedlot and poultry industries.

"The board refused the request."

Leonard said the SA Feedlot Association, the SA Poultry Association and the Pig Breeders' Association had shown strong interest in grain sorghum.

"But we were powerless to talk business to these organisations as this was the task of the Maize Board."

with the master builders associations has also eased as a result of better communication.

At this stage, it's impossible to predict the CB's response to the CDSA's application for exemption, but four scenarios seem possible:

- The CB outlaws the CDSA's marketing arrangements;
- It accepts that the joint-selling arrangement is in the national interest;
- It orders the CDSA to slowly unwind its marketing arrangement over, say, a three-

year period, giving it time to acclimatise to free competition; and

The CDSA re-applies to the CB every three years to continue its selling arrangement. Pavey is optimistic that the CB will go along with this compromise.

The industry's strongest card is the CB's apparent satisfaction with its efforts to peg transport costs to a minimum by insisting that bulk buyers source from their nearest producer.

"We have undertaken to pass the benefit

to the consumer not the producer, and we have stuck rigidly to this," stresses PPC commercial director Charles Hollmann.

Producers also say that the clamp on competition has given the industry confidence to invest in production capacity for when the good times return.

But the recent mothballing of PPC's new R300m Dwaalboom plant (*Business* August 16) suggests that the prospect of any new investment, even in a better market, remains remote. ■

ANDRE HAMERSMA

Deregulating agriculture



Andre Hamersma is a GM of the Standard Bank of SA. In a speech to the joint agriculture-industry conference in Pretoria recently he argued the case for a free market in agriculture.

Government's active involvement in price-forming for agricultural products is usually justified on four basic grounds:

Firstly, there is agriculture's unique position in SA. It represents a traditional way of life for many people and the policy is, therefore, more the result of socio-political factors than economic factors.

Then there is the need for the orderly marketing of agricultural products. The argument is that without the regulation, prices would be volatile — to the detriment of producers. Farmers would not be able to plan, and would be exploited by middlemen.

Thirdly, prices must be supported to keep the incomes of farmers on a high level, ensuring self-sufficiency in food production and financially sound and happy farmers.

Finally, there is the argument that strategic sectors must be protected. With SA's political problems there is a need to produce strategic products locally, whatever the cost.

The instruments to attain these goals include tariff protection, import control, tax concessions, low interest rates, quotas, cost-based or administered prices, and transport concessions and subsidies.

Apart from direct subsidies, these measures do not show immediate and measurable costs to the State. This obviously does not mean there are no costs involved — only that these are integrated into the system. And the measures do result in distortions in the market.

For instance, tariff protection and import control lead to higher prices for farming inputs such as tractors, tyres, fertiliser. These add to farming costs and will be passed on in the form of higher produce prices, as with maize and sugar. This leads to export losses and eventual control board

losses.

Again, cost-based or administered prices — usually higher than market levels — give the wrong message to producers and encourage the use of marginal land. This eventually creates surpluses and further controls — quotas — are needed.

Tax concessions and low interest rates encourage agricultural investment, leading to higher capital intensity and higher farm prices — thus increasing the cost structure.

Low transport tariffs for agricultural products mean higher tariffs for manufactured goods. This, in turn, means lost market share to road hauliers and eventual losses for SA Transport Services.

In short, after a while the direct controls contribute to over-investment, misallocation of production factors, overproduction, financial problems and inflation.

These measures do not solve problems — they create them. While they are devised to redistribute income, it is impossible to determine who benefits, how big the benefits are or who eventually pays for them.

Direct controls are very attractive to politicians and bureaucrats, as it enables them to announce concessions and take strong action, without increasing taxes, but they do result in distortions and create much unhappiness. The problems we struggle with today are the opportunistic "solutions" to past problems.

Everyone could help to solve the problems — but action must be aimed at the underlying causes rather than at the symptoms.

The following broad guidelines should, in my opinion, apply:

We must accept that the State's future economic role will be much smaller, focusing largely on creating the right economic climate and enforcing the rules of the game. Before that, however, ambitious plans must be scaled down to what is affordable. Active economic intervention will probably be aimed at helping small businessmen rather than the farming community;

The State will have to consider the possible impact of deregulatory steps taken in one sector on another. Such steps should be taken simultaneously, on a broad front and in a co-ordinated way;

Where the State considers it necessary to assist or interfere through subsidies, it should do so by direct Treasury payments, and not by hidden price interference. This will ensure that the costs are clearly identifiable, that we know who will benefit and who must pay;

Government must retain conservative monetary and fiscal policies in support of these measures. These will lead to lower interest rates and a stronger rand;

I believe it is necessary to adopt a more market-related system of aid to farmers. Emergency aid will remain important, but more must be done to make farmers better managers and to help them predict market movements. It is important that there should be more State market research, and this information must be properly distributed to farmers;

Farmers themselves have an important role. They must solve more of their own problems and become less dependent on the State, changing from "producers" to market-orientated businessmen who can decide independently what and how much to produce.

They must be in close touch with market movements to enable them to make effective decisions. Market-related interest rates will mean they will have to give more attention to financial planning and control, and banks could play an increasing role here;

The control boards could eventually be phased out to reduce marketing costs. In the short run they have an important role in moving to a more market-related system. Market-related prices will replace cost-based pricing, and futures markets could help moderate price movements.

In conclusion, I believe SA will unavoidably move to a more market-related system.

It is not realistic to expect this to remove all our problems and there will, inevitably, be other problems during the transition period.

A new system along the lines I envisage will, however, certainly be more just, and there will be important advantages at the end of the line — better distribution of resources, greater productivity and lower inflation. We must strive for these worthwhile goals.

(3) Control Boards

IN MY OPINION

A system out of control

(3) Control boards
~~Subsidiary~~

SA's agricultural marketing system has largely failed. It is characterised by price spirals that outstrip many other consumer price-increases, entrenched rigidity, and a vast array of rent-seekers who depend on the weakness of the system.

Given that the total value of capital investment in farming amounts to nearly 40% of gdp, this is a serious situation indeed.

Production of the country's most vital consumables — red meat, maize, dairy products, wheat and sugar — is given protection of a nature that verges on Iron Curtain socialism: fixed or minimum prices (regardless of the level of production or demand), regular price increases (argued not on the basis of yield but of farm input cost inflator, or import parity when the rand is weak) and one-channel marketing systems.

There are few direct rewards for efficiency, innovation, flexibility or entrepreneurship — nor do market forces impact freely to force prices down in cases of surplus production or falling demand. Probably the worst

Like most countries, SA's agricultural system consists of farmer-politicians, ever-rising prices, mountains of surpluses (or costly shortages) and never-ending appeals for financial help. The fundamental problem is the administration of some control boards under the Marketing Act, and the guaranteed prices it offers for most agricultural produce.

example of how a farm price mechanism can be manipulated is the current discussion on the maize price increase. After red meat, maize is SA's most valuable farming commodity.

Last season's maize price increase of 30% to R220/t was justified on the grounds of "exceptional" drought disaster and the severe debt predicament of many farmers. Now government is considering a request by

maize producer body Nampo, and the Maize Board, to hoist the price another 23% to R270/t — based on "production cost increases."

It appears that last season's "official" cost-of-production figure of R277/t, calculated by the Department of Agricultural Economics and Marketing (DAEM), was based on information supplied by Nampo itself. An informed source tells the *FM* this figure was calculated on crop assessments for specific agro-economic areas in the maize belt. This patently lacks the stamp of scientific authority.

The DAEM's annual "weighted" assessment of increases in maize production costs, based on a 15-year index-plus average for the whole maize belt, gives a figure of only R221/t for the current season. And if the requested hike to R270/t is granted, the cost of maize will have increased by 77% over the past three years.

Meanwhile, sugar and wheat growers are producing crops that will far exceed domes-

out of the pricing system. That seems a fair expectation, given that the farming regulatory system has not been updated since 1937.

Another vital move is the deregulation of SA's 320 farming co-operatives, with their R10 billion/year cash flow and extraordinary market powers. These co-ops are a pivotal component of agriculture and could be quickly unshackled to participate in a

freer market.

③ *Control boards*
But the final determinant might be the current recession and the necessity for government to trim spending to current revenues. By reducing the huge flow of subsidy funding to the farm sector and also refusing to grant excessive commodity price increases, government could give agriculture the medicine it so sorely needs.

Forced insolvencies could weed out inefficient producers, push down farm prices and reduce the strain on the taxpayer. Simultaneously, more moderate produce price increases — also egged on by growing consumer resistance — could reduce expensive surpluses and bring the whole of agriculture closer to the market-related, realistic level that would benefit the whole economy. ■

tic demand and are woefully uncompetitive on world markets; there is a beef surplus costing hundreds of thousands of rands a month to store; a cheese and butter mountain; a periodic milk lake, and so on.

But, for certain vital commodities, the pricing system has ensured that not enough is produced: cotton imports will cost more than R100m, and there is an acute shortage of animal proteins like soya bean, which could easily be grown here. Instead, SA is importing thousands of tons of fish-meal to meet domestic requirements.

As agricultural economist Eckard Kassier of Stellenbosch University says, the system,

not the farmer, is to blame. He argues that the farmer will behave in the most rational way, given that he knows he is confined to a particular marketing system. If the farmer is consistently assured of profits from a certain endeavour, he will persist with a given line of field crop production or animal husbandry because the system protects him from normal free-market consequences and disincentives of over-production.

Inescapably, arguments for reform run up against the country's 21 control boards. At the heart of the system is a crude kind of paternalism, that government and the growers know what is best for each sector; that growers, having suffered the worst excesses to which agriculture can be exposed, should never again suffer the "holocaust" of the Thirties.

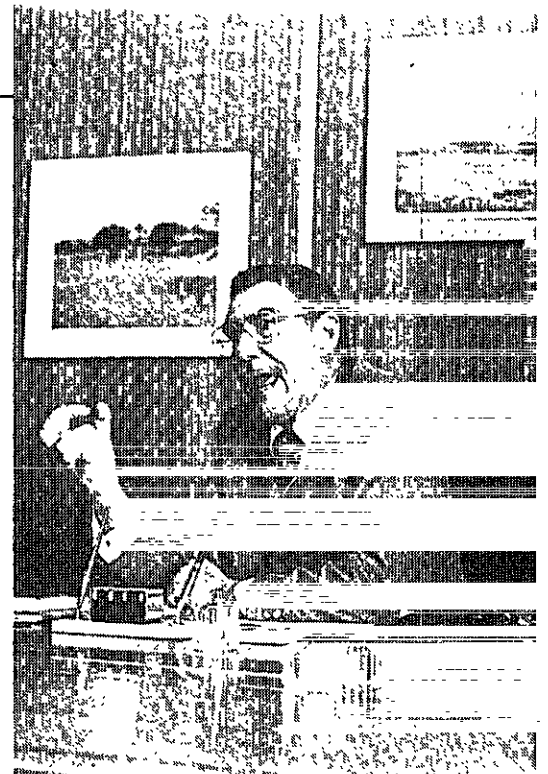
One of the most powerful boards is the Meat Board, controlling the R4,3 billion red-meat industry. There is no control board for chickens, or white meat. Since 1956, SA's per capita consumption of red meat has fallen from 43 kg to today's 32 kg. Over the same period, per capita consumption of chicken has increased sevenfold from 2 kg to more than 14 kg.

These figures speak for themselves and are directly related to excessive increases in red-meat prices — based on the Meat Board's price-support system — while chicken prices have remained reasonable and market-related.

Attempts by marketing boards to maintain "stable" agricultural prices harm farmers and consumers. "Unstable" prices promote stable incomes and end recurring surpluses and shortages. If there was no artificial attempt to stabilise prices, it would be expected that in bad years prices would rise to offset low yields; and in good years prices would fall to penalise over-production. The effect of this price "instability" will "stabilise" farm incomes.

What is needed in SA is a firmer commitment to the principles of the free market, as outlined in Pretoria's White Paper last year. Agriculture Minister Greyling Wentzel tells the *FM* that the implementation of unfettered free-market principles is virtually impossible in agriculture — because of uncertainties of climate, production and markets.

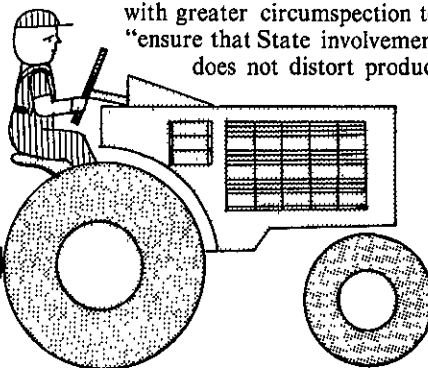
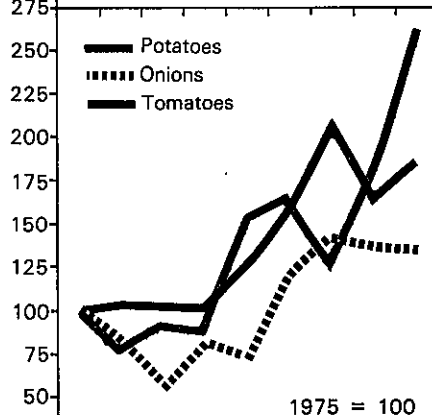
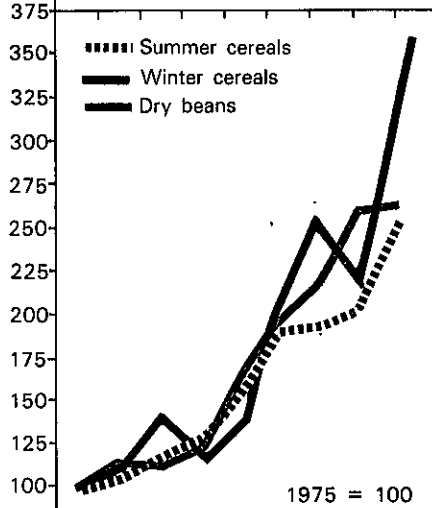
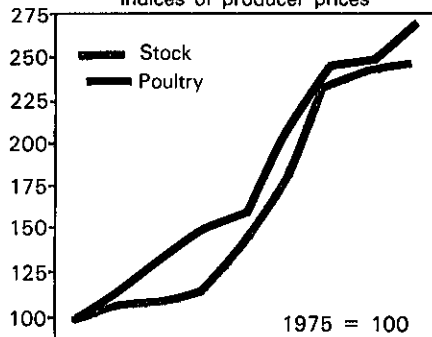
Does that mean there will be no change? Wentzel suggests some changes, perhaps of a transitional nature, are possible. He says the control board system needs to be applied with greater circumspection to "ensure that State involvement does not distort produc-



Agriculture Minister Wentzel ... a free market of sorts

ESSENTIALLY PRICEY

Indices of producer prices



Leon Louw ... purge the inefficient

tion, marketing and price structures."

Bravo, so far as that goes. But sceptics may be forgiven for suspecting the Minister's sentiments smack of lip service. Fundamental and far-reaching reform of agricultural policy can be achieved in a short time by implementing a few key changes.

First, recognise that the country cannot afford to keep inefficient farmers on the land: bankruptcies are a vital part of the economic process, says Free Market Foundation's Leon Louw.

Second, recognise that the control boards have over-extended their mandate to the point of being almost above the law. The boards should be compelled to adhere to their original charter: the physical handling and movement of commodities — and kept



A safeguard for your rights. Edited by BOB MOLLOY

Dairy Board still in frustrating mess

From Mrs J TATHAM, Housewives League.

THE Dairy Board is in a mess — still. On the one hand it has an ever increasing surplus of milk that has to be bought and converted into milk powder. On the other hand the only people who are willing to buy it are the manufacturers of dairy products who buy vast quantities — but at their price.

The onlookers — consumers and farmers — are becoming increasingly infuriated.

A lot of publicity has been given to the subsidies handed out by the Dairy Board. It seems that originally they were not allocated equally to all manufacturers.

If so, that was short-sighted and grossly unfair, so now all manufacturers have been notified and may apply. (I contacted a small ice-cream manufacturer — yes, he's getting subsidized prices, thank you.)

Farmers

In the last two years charities and welfare organizations have received nearly R3,5 million; ice-cream manufacturers a bit more, R4 million (R1 to R1,50 per kilogram). In 18 months chocolate manufacturers have had R1 million (90c per kg) and baby food manufacturers R1,5 million (40c per kg). Animal feed manufacturers bought 392 tons of old powder for peanuts, amounting to a subsidy of R700 000.

In all, about R11 million has been granted to various sectors since 1982. That's a lot of money and it all comes out of a stabilization fund made up of farmers' levies (2c on every litre of fresh milk and 1,5c on industrial).

The situation has been aggravated by drought-stricken farmers who have nipped into dairying for a bit of hard cash. Understandably the milk producers of long-

Letter



standing are irate. They feel their cents could be put to better use — such as setting up distribution points in black areas where milk is needed desperately.

There is also the matter of exports — at a loss. From September 1983 till July 1984 South Africa exported 13 290 tons of milk powder — nearly as much as we consumed (16 200). This loss, estimated at R21 million, must also be subsidized by the stabilization fund.

Amazingly, the stabilization fund isn't running dry. With a total of about 1 916 000 litres of fresh and industrial milk being produced daily, I calculated that more than R1 million goes into the fund each month. Nearly three-quarters is paid out in subsidies and export losses.

What do we get in return? Fluffier and more expensive ice-cream, slightly cheaper ice-cream, but what about baby foods?

Why does the board subsidize luxury items? This is what sticks in our gullets. Why not reduce the price of all skim milk powder? No one would mind the subsidy of a basic food. If my calculations are right, an annual subsidy of R7 million spread over 17 836 tons would mean a reduction of about 25c. The retail price is about R4 per kg. Perhaps people wouldn't flock to buy, but that isn't the point. (We didn't flock to buy ice-cream). It would reach everyone and it would be fair.

But the board is in a complicated dilemma. Back in June 1983 we read that manufacturers had

been importing powdered milk products at incredibly low prices. European production is more efficient than ours but their low prices are due to whacking government subsidies to farmers in EEC countries. We just can't compete.

Imports were hidden under various names — “ice-cream mixtures with sugar”, “mixtures of chemicals and foodstuffs”, but were basically powdered milk. Two companies were charged with illegal imports.

If the board now stops the subsidies, the manufacturers will be up to their shenanigans again and the mountain of surplus powder will mount higher.

It is not easy to close the loopholes. Mr E Roux, general manager of the Dairy Board, says optimistically: “We've had good co-operation from the Department of Trade and Industries. As far as the issuing of currency permits is concerned we now have control of dairy products coming into the country.”

Clever

What about imports coming via Swaziland or Transkei? Legislation of the Customs Union says that countries may not import and re-export a commodity if it will cause embarrassment to either country. Excellent on paper, but there is still the policing of it.

What will the board do? Has it the courage to put its foot down and antagonize the manufacturers (two of the biggest, Dairy Belle/ICS and NCD, sit on the board)?

Five years ago the Egg Board was bedevilled by export losses and dumping. Now it has been transformed. The Dairy Board has worse problems — the shorter the shelf-life of a product, the bigger the problems — but they must be tackled and overcome.

□ Figures taken from dairy digits printed monthly by the Dairy Board.