

MILK  
+  
AGRICULTURE — DAIRY ~~PRODUCTS~~ PRODUCTS

1982

JAN. — OCT.



Dairy cow ... being put out to grass?

According to Basson, the milk price should be fixed in January and not May/June to encourage farmers to cater for demand and produce at the right times.

Western Cape farmers produce milk on a quota/surplus system introduced to balance supply and demand over the year.

Farmers' quotas are based on the four most difficult milk producing months — from mid-January to May/June. The daily average supplied by a farmer over this period becomes the quota for which he is paid the full gazetted price (at present 32c/l) for the rest of the year. A 1,2c levy is deducted from this price for advertising, administration and a stabilisation fund.

Farmers get far less for their milk output which exceeds this quota during high production months. In October last year it was roughly 20c/l.

Basson says the system helps smooth out production variances although it has been criticised by some farmers as a restrictive practice.

Western Cape farmers are also complaining that government has done nothing to reduce the gap between maize, a dairy feedstock, and milk price rises. As a result, dairy farming is becoming increasingly unviable.

Basson says that former Minister of Agriculture Hendrik Schoeman gave strong indications to the SA Agriculture Union (SAAU) at a meeting in Philadelphia that the gap would be eliminated, but that new Minister Pietie du Plessis has done nothing about it since taking office.

This means that farmers effectively bear additional maize costs for two months before their own prices are raised. Feed is by far the largest variable cost and maize accounts for 40% of it.

One farmer producing 5000 l fresh milk a day says the 40% increase in the maize price last year cost him about 1,500 a day over the period.

Farmers do have to carry increased costs of other feed components which occur from time to time and therefore all prices to be raised in step with the maize rises.

But the chairman of the Department of Agriculture and Fisheries, Dr Prof Jan Basson says that only in exceptional circumstances will farmers have to carry more and more as a result of the cost-price and more so because of the high milk yield bottling.

However, an alternative interpretation of this statement is that it was a warning to stop dairy farmers from carrying on leaving the industry.

But when one deals with reports about the year's milk production, one finds the same picture of a dairy industry which is still profitable and growing.

South African dairy control policy in accordance with the recommendations of the Federal Government is to produce a surplus of milk products which are sold to other countries simultaneously with a surplus of milk.

It is a known fact that Western Cape farmers are not producing surplus milk (they are producing 11% surplus) but that the surplus is not sold. It is said that the surplus is not sold because the price of the average price of the surplus will be lower than the fixed price of the surplus to be sold to the EU.

But the price of the surplus is not fixed and the price of the surplus is not fixed and the price of the surplus is not fixed.

So, it is clear that the price of the surplus is not fixed and the price of the surplus is not fixed and the price of the surplus is not fixed.

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**MILK ③ milk Frustrated farmers**

FM 15/11/82

Discontent in the SA dairy industry has come to a head in the western Cape, where many farmers are calling for the abolition of controls. They suggest milk should be left to find its own price in a free market.

Nico Basson, Chairman of the Western Cape Milk Producers' Union, and member of the Dairy Control Board (DCB), does not associate himself with this popular view. But he concedes that supply and demand should have more influence on the price, and that it should not be determined according to cost inputs only.

A free market would eradicate less efficient producers who are subsidised. Also, it would force the others to pay more attention to seasonal demand patterns — production/consumption disparities which plague this winter rainfall region would eventually be minimised.

Milk prices at present are decided by the DCB after the maize price has been fixed.

# Milk to cost 1c more from Monday

③ Dairy Mercury 27/2/82

## Mercury Reporter

THE PRICE of milk will rise by 1c on Monday because of the 1 percent increase in general sales tax, in spite of the Deputy Minister of Finance's statement in Parliament on Thursday that milk would not be affected by the new GST structure.

A spokesman for the Dairy Board in Pretoria said yesterday that home-delivered milk would rise from 50,5c a litre to 51,5c a litre while the over-the-counter price would rise from 55c to 56c a litre.

The liaison officer for the Dairy Board, Mr Jan de Bruyn, said yesterday the GST on home deliveries was now 2c instead of 1c, and on milk sold over the counter the GST was 3c instead of 2c.

## Correct

'There are regional differences in the milk price, and consumers in northern Natal will pay 52c a litre for home deliveries. Prices also vary according to the type of container the milk comes in,' Mr de Bruyn said.

In a Press statement released yesterday by Mr Danie Steyn, Deputy Minister of Finance, the new GST structure and the

price of milk was explained.

The statement said: 'In my reply to the second reading debate of the Sales Tax Amendment Bill of 1982, I stated that the increase in the rate of sales tax would not affect the price of a litre of milk.'

'This statement is correct insofar as the sale of milk by supermarkets, cafes, etc are concerned.'

'Unfortunately I lost sight of the fact that under an arrangement in terms of Section 47 of the Sales Tax Act of 1978 between the Commissioner for Inland Revenue and the milk distribution indus-

try, milk distributors have up to the present recovered only 1c per litre from consumers and paid that amount over to the State in respect of milk delivered to their residences or sold over the counter in dairies.

'This arrangement was made in view of the fact that practically 100 percent of the turnover of these enterprises consists of milk sales and that should the distributor have recovered sales tax in accordance with the rounding-off table, and then have paid it over in the normal manner in accordance with his turnover, he would have made either a loss or a profit in

respect of the tax.'

The statement gives as an example the price of milk being 30c a litre. The distributor would have been entitled in accordance with the rounding-off table to recover only 1c a litre from the consumer, while the true tax which he would have had to pay over to the State would have amounted to 1,2c a litre. He would therefore have had to pay 0,2c a litre from his own pocket.

## Entitled

If the price of milk were 38c a litre, the distributor would have been entitled to recover 2c a litre in ac-

cordance with the rounding-off table while he would then have had to pay only 1,52c thereof to the State.

The statement goes on to say that 'to obviate this situation it was accordingly arranged that until such time as the actual tax per litre did not reach the 2c mark, milk distributors would recover only 1c a litre from consumers in respect of direct sales or deliveries and pay that amount to the State.'

'The situation has now arisen that due to the increase in the rate of GST from 4 percent to 5 percent, the actual tax has in the majority of areas become more than 2c a litre, and accordingly distributors will now have to pay 2c a litre to the State which they will also be entitled to recover from consumers.'

Mr Steyn said he wished to point out that since the price of milk passed the 38c mark, consumers who had their milk delivered or purchased direct from a milk depot had enjoyed a benefit of 1c a litre in tax as a result of the arrangement.

# Milk shortage says dairy

7/3/82 (5) Dairy D. Rinfatch

EAST LONDON — The city's milk supply is drying up rapidly and consumers face more price increases in the near future.

That was the message from the chairman of Model Dairy, Mr Neville Lloyd, yesterday after the dairy's charge for delivered milk had gone up 4c a litre.

"People are either going to have to stop drinking milk or pay more for it," he said from his home in Berlin.

"We are running out of suppliers and the consumer is just going to have to pay more."

Mr Lloyd disclosed that the number of farmers supplying the dairy had dropped from 100 to 60 in the last 18 months because dairy farmers were leaving the lands and the dairy was having to pay more and more to ensure the other suppliers stayed in the business.

"At the moment we are importing 7 000 litres a day from Queenstown to keep up with the demand," Mr Lloyd said. "Two more suppliers are selling up soon and that will deprive us of another 3 000 litres a day."

Mr Lloyd pointed out that the dairy did not operate on a profit-making basis as all excess funds were shared out among the farmers belonging to its supply network.

"We're not exploiting people," he said. "We gave this matter a lot of thought but eventually we realised that the consumer is going to have to pay up if he wants to drink milk." — DDR.

UOST

Board (UCB) hope...

# Rising costs, <sup>(3) Dairy</sup> drought hit dairy farmers

D. Proffitt  
3/3/82

EAST LONDON — Severe drought and rising costs are pushing up the milk price and forcing farmers out. Model Dairy executives said yesterday.

Dairy farmers were going to easier and greener pastures, particularly beef farming, which they said was more lucrative.

One of the many Border farmers who has quit dairy farming is the chairman of Model Dairy, Mr Neville Lloyd, who says he is "much happier for it".

"This is a national problem but the drought has been the deciding factor for many local farmers," he said yesterday.

"The chap who is marginal will pull out because of the increase in so many costs — salaries have gone up and so has the price of fuel, fertiliser and cardboard."

As regards the increase in milk prices, Mr Lloyd said the farmers were now virtually holding a gun to the dairies' heads and saying "pay up or else".

"So many people ask how we can put up the price of a basic commodity, but the farmer is just not getting a reasonable return for the amount of work put into it. He works a seven day week and a 365 day year.

"As it is, two years ago we were distributing 70

000 litres locally compared to 30 000 litres now, and we have to import most of it from Queenstown."

In the next few weeks two more milk suppliers will follow in Mr Lloyd's footsteps, and will be able to say, like him, "at least I can stop worrying on Fridays."

When they do go — one from Komga and one from Macleantown — the only hope left is that their cows will stay in the area.

"If the cows are sold out of the area we will suffer more," said Mr Mike Gatcke, managing director of Model Dairy. "But if they stay in the Border, even on a beef farm, it won't be too bad." — DDR

# Dairy men who sell milk illegally face crackdown

9/2/82  
③ Dairy + Milk Mercury

Mercury Reporter

THE Dairy Board yesterday announced its intention to prosecute unregistered dairy farmers in northern Natal who are unlawfully selling fresh milk to people other than distributors.

A warning was issued by the Dairy Board in Pretoria to all farmers in Dannhauser, Dundee, Glencoe, Newcastle and Vryheid who had failed to obtain the necessary registration from the board.

According to the chief public relations officer of the Dairy Board, Mr R de Bruyn, milk sales in the districts had been controlled by the board since April 18 last year.

'There are still farmers who are illegally selling milk without being registered to do so,' said Mr de Bruyn. 'It's highly likely some farmers are unaware that they now fall under the jurisdiction of the Dairy Board, which is why we are issuing a warning to give them a chance to register.'

He said producers would be granted the opportunity of applying to the board for registration until June 30, but failure to do so would lead to prosecution.

Applications for registrations would be considered by the board according to merit.

Mr de Bruyn said some northern Natal farmers were illegally selling

large quantities of fresh milk to big companies which was 'taking necessary business away from registered producers'.

He emphasised that areas falling within the jurisdiction of the KwaZulu Government were not affected.

**EL** <sup>(3) Dairy</sup> **milk** <sup>(244)</sup>  
*D. Dispatch*  
**price the**  
**highest** <sup>11/3/82</sup>

**EAST LONDON** — Consumers are paying more for their milk here than in any other major centre in the country.

A snap survey of shops in the East London area by a Daily Dispatch reporter has revealed that in most shops the price of milk is 64c a litre, a full 6c more than the highest milk price in the Dairy Board-controlled areas.

East London milk does not fall under Dairy Board control, and retailers here are free to charge as much as they want.

But a spokesman for the Department of Trade and Industries said in Pretoria yesterday that consumers could make representations to the government to have the price controlled if they thought it was exorbitant or unreasonable.

"If East London consumers put a good case together and present it to the Department of Agriculture and Fisheries they could be granted a controlled milk price."

This is the situation in Port Elizabeth where, though the Dairy Board does not operate, the milk price is controlled at 48½c for home deliveries and 54c (57c with tax) for retail outlets.

In East London the price of milk delivered to homes is 54c. The only dairy to provide this service in East London is Model Dairy.

The snap survey showed that the price of Model Dairy milk in most shops varies from

63c to 66c, though it is being sold at 56c without tax at a Vincent supermarket.

The survey also showed that the price of Kokstad milk is identical to that of Model Dairy at most outlets despite a claim by Kokstad Dairy that their wholesale price to the seller is 8½c lower than that of Model Dairy.

At one city supermarket Kokstad milk is being sold at 51c a litre excluding tax and Mr Brian Randell, manager of the company which distributes the milk, says this price includes a "healthy markup."

Mr Randell said Kokstad did not increase its price on March 1 (when Model Dairy milk increased by 4c a litre) and was selling to all shops at one price.

He said some shops were selling at the lower price but most were "making hay while the sun shines."

Mr Randell claimed Kokstad Dairy had been banned by the Ciskei Marketing Board from selling milk in Mdantsane. "They wanted all their milk to be supplied by Ciskei producers but there is a shortfall and this is not being supplied by us," he said.

Mr Randell said the people of Mdantsane had been denied the opportunity of buying milk at a cheaper price.

The Daily Dispatch was unable to get comment from Model Dairy yesterday. — DDR

③ Dairy/Meat/Wheat 11/3/80  
Dairy products/meat/wheat  
Hansard Q. Col. 350  
265. Mr. D. J. N. MALCOMESS asked  
the Minister of Agriculture and Fisheries:

What was the value of the (a) dairy products, (b) meat and (c) wheat imported by the Republic during the latest specified period of 12 months for which figures are available?

The MINISTER OF AGRICULTURE  
AND FISHERIES:

(a) R 7 966 744

(b) R10 977 940

(c) R 788 768

*Note*

- 1 The latest figures available are in respect of the 1980 calendar year.
- 2 Figures are in respect of the customs union, which also includes Botswana, Lesotho and Swaziland.
3. Figures include processed products.



(3) Dairy 11/3/82  
Hansard Q.61, 349-350  
223. Mr. P. A. MYBURGH asked the  
Minister of Agriculture and Fisheries:

- (1) Whether problems are being experienced in regard to the production of dairy products; if so, what is the nature of the problems;
- (2) whether these problems may necessitate the importation of such products; if so, (a) what (i) products and (ii) quantity of each such product will have to be imported, (b) from which countries and (c) what is the estimated cost;
- (3) whether the consumer price of imported dairy products will be (a) higher or (b) lower than that of locally produced products?

The MINISTER OF AGRICULTURE  
AND FISHERIES:

- (1) Currently no special problems are being experienced.
- (2) Depending on climatic conditions shortages of butter and milk powder may develop.

MARCH 1982

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- (a) (i) Butter and milk powder.  
(ii) 3 000 ton butter (estimate).  
6 000 ton milk powder (estimate).
  - (b) Europe.
  - (c) Cost of imports will depend on the prices at the time of importation.
- (3) The same as locally produced products.

# EL a milk <sup>(3)</sup> controlled <sup>Dairy</sup> area soon! <sup>D. Dispatch 12/3/82</sup>

EAST LONDON — East London would soon be proclaimed a Dairy Board-controlled area, the manager of Kokstad Milk Depot, Mr R. Pringle, said yesterday.

Mr Pringle was commenting on the fact that East London and Port Elizabeth are the only two major centres whose milk price is not controlled by the Dairy Board. In Port Elizabeth, however, the milk price is controlled by the government price controller.

East London's retail milk price is at least 6c higher than in any of the price-controlled areas.

Mr Pringle said he believed East London and Port Elizabeth would have to be incorporated into the national price control structure within the next year or two.

He also claimed that competitors Model Dairy were supplying milk in Transkei.

The Daily Dispatch established yesterday that Model Dairy milk is being sold as far as Qumbu, 90 kilometres north-east of Umtata.

Kwaru executive, Mr

Mr Pringle and an Umtata milk supplier both claimed that Model Dairy had only started supplying milk in these areas in the past 18 months.

Last week the chairman of Model Dairy, Mr Neville Lloyd, said the city's milk supply was drying up rapidly as the number of suppliers dwindled.

Meanwhile an Eastern Cape agricultural consultant, Mr Tommy Thomson, estimated that the cost per litre of producing milk was little more than 27c.

"I am not entirely conversant with the pricing structure in the East London area," he said, "but the cost to produce a litre in the Port Elizabeth area is about 26c. As East London is more reliant on crop farming the total cost is a little higher."

Mr Thomson said the fixed cost of producing milk, which includes labour, repairs to machinery, electricity and so on, works out at 8c a litre. The variable cost — including feed, fertiliser and transport — amounted to about 18 or 19c.

Commenting on the higher price in East London than any other metropolitan centre in the country, Mr Thomson said that if dairy farmers were given the opportunity they would opt for their price to be adjusted to the same as that in East London.

"Price increases have just not kept up with cost increases for the dairy farmer," he said.

Mr Thomson said the 4c increase in the cost of Model Dairy milk at the beginning of the month had been well judged. "It is better to have the price increase now instead of in mid-winter when it could have a detrimental effect."

Repeated attempts over the past three days to get comment from Model Dairy spokesmen have been unsuccessful.

(3) Dairy RDM R/3/82

# Stand by for another dairy price increase

Pretoria Bureau

HIGHER dairy product prices are expected to get the Government go-ahead in May — and at the start of the new wheat season in October, a bread price adjustment is likely, according to Pretoria sources.

The price of milk rose twice last year — on June 1 by 15% from 40c to 46c/l for home deliveries, and in November by another 2c to 48c.

The prices of cheese and butter were also raised.

Dairy farmers claim their businesses yield low return on capital invested, and that a further increase of at least 15% could be justified.

The chairman of the SA Agricultural Union dairy committee, Dr Louis Theron, said yesterday farmers had had to contend with steep cost rises, including big increases in interest rates.

He said farmers' costs were at least 2% higher than the level of the Consumer Price Index, which ran at an average 15% monthly rate last year.

Dr Theron said his committee had recommended a price rise to the Dairy Board based on costs in the industry in January. This proposal had been passed on to the National Marketing Council.

He said the SAAU was deeply concerned at the number of farmers deserting the industry because it was unprofitable, posing a danger of severe milk shortages throughout South Africa.

The only way to reverse the trend was for the Government to authorise a price more closely related to the costs and risks.

Dr Theron said it was likely the Government would wait until the new maize price was fixed before announcing any milk price rise.

Mealies represented between 25% and 30% of total cost in the industry.

EAST LONDON — The Dairy Control Board could only start operating here if the producers asked it to, the deputy manager of the board, Mr W. Nutt, said yesterday.

Commenting on claims that East London might soon become a dairy control area, Mr Nutt said this was only possible if a producers' union recognised by organised agriculture asked for control and got the approval of the minister for it.

The retail price of milk is at least 6c higher per litre in East London than in any of the dairy control areas.

Mr Nutt said the consumers of East London

# Dairy Board control if requested

*D. Dispatch 13/3/82*

**(3) Dairy only**

would not necessarily benefit if the price of milk were to be controlled.

Describing the intricate role of the board in fixing prices, he said the controlled price would be determined by the existing conditions in the area of control.

He said the board with the approval of the minister fixed the price that the distributor had to pay to the board for

all milk received from producers.

If there was a surplus of milk produced this was usually sold to industrial concerns such as sweet factories at a price below the fresh milk price.

The proceeds from the sale to distributors as well as from the surplus sales went into the milk sale fund which was divided among the producers at an average unit

price. The distributor — that is, the dairy — sold at a price fixed by the board in conjunction with the National Marketing Council.

A margin for the distributor to cover his costs as well as make a profit was determined.

Mr Nutt said there need not be price control if the board operated in the area. "If the marketing council does

a survey in East London and finds distributors and retailers are charging excessive prices then only will price control be considered."

Contacted for comment on the milk price reports which have appeared in the Dispatch over the past few days, Mr M. Gatcke, the managing director of Model Dairy, communicated through his secretary that he was not available for comment.

Mr Gatcke told his secretary to tell the reporter who had attempted to interview him that he would contact the Daily Dispatch when he thinks it is necessary and has time to do so." — DDR.

# Price rises likely for maize and dairy goods

Star 12/3/82  
3 Dairy

## Own Correspondent

Price rises in dairy and maize products are expected to be introduced when representatives of the two industries submit applications for price increases to the Government in May.

Both industries have been hit by higher production costs and increases are likely to be introduced to offset losses.

Dr Louis Theron, chairman of the National Dairy Committee, said farmers were justified in asking for higher prices for dairy products because they were experiencing financial difficulties.

He said dairy farmers were battling to offset cost increases and low returns. In order to earn a reasonably good income, they had to work under difficult conditions over long hours.

Dr Theron slammed the price control sys-

tem because some farm products rose in price regularly while others were subject to Government approval.

He said dairy farmers would now be applying for rises on a regular basis.

The prices of milk and other dairy products have risen regularly in the past few years. There were two increases last year and the milk price rose to 50c earlier this year after general sales tax was increased by one percent.

The price of dairy products could rise again in May after the completion of negotiations between the maize industry and the Government.

Recommendations by the Dairy Control Board will be considered by the Government once the price of maize has been set

requested, (b) were the reasons given for the application and (c) was the response of his Department;

- (3) whether any increases have been or are to be granted; if so, what is the increase in each case;
- (4) whether any representations were made against such price increase; if so, (a) by which organizations and (b) what in each case (i) were the reasons for the representations and (ii) was the response of his Department?

The MINISTER OF AGRICULTURE AND FISHERIES:

- (1) Yes. Dairy Control Board.
- (2) and (3) Application at present under consideration.
- (4) No.

Jointed cactus

409. Mr. R. W. HARDINGHAM asked the Minister of Agriculture and Fisheries:

- (1) What amount was spent on herbicide for the control of jointed cactus in the Republic in the latest specified year for which figures are available;
- (2) what area of land was infested by this weed as at (a) the latest date for which figures are available and (b) a date five years previously?

The MINISTER OF AGRICULTURE AND FISHERIES:

- (1) R1 660 000 (1980-'81)
- (2) (a) 831 053 ha (1980-'81)
- (b) 828 595 ha

(2) No mentionable effect. 24/3/82  
~~General~~ (3) Dairy  
 Price increases of agricultural products  
 Hansard Q. Col. 480-481  
 406. Mr. H. E. J. VAN RENSBURG asked the Minister of Agriculture and Fisheries:

- (1) Whether any applications for price increases of any agricultural product in 1982 have been received by his Department; if so, from what organizations;
- (2) what in each case (a) was the increase

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# FOOLY GOWI!

**RIGHT: Angry Bill Stewart of Carnation Foods . . . this article is yet another stab in the back from the dairy industry. I'm flabbergasted the industry could stoop to blasphemy to achieve its ends.**



*Bill Stewart  
5/28/82*

**Dairy Board's ten commandments get the clergymen under the millstone of sour up the non-dairy competition**

5/28/87

# Dairy Board's ten commandments get the clergymen hot under the collar and sour up the non-dairy competition

## BY ROD JACKSON-SMITH Picture: MORRIS REDDY

THE Bible is being used by the dairy industry to get its message across — but the gimmick backfired this week when leading churchmen slammed it as offensive.

The offending article — setting out 10 "Dairy Commandments" promoting the sale and consumption of dairy products — appears in the latest newsletter of the South African Dairy Foundation, an organisation dedicated to promoting the image of the dairy industry.

As churchmen spoke out against the use of the Bible for commercial purposes the article also sparked another flare-up of the on-going battle between the dairy industry and the manufacturers of non-dairy creamers and blended products.

In the article two "commandments" in particular have caused an outcry. They are the third and fourth "commandments" which read: "Honour the cow that makes the dairy industry possible" and "Remember to keep holy your table by serving dairy products daily".

In an interview with the Sunday Tribune this week Rev Kobus Potgieter, acting chairman of the General Synod of the NGK, said he could not agree with the Foundation's message.

"To us the Bible is a holy book. It is not just an ordinary book and I cannot go along with its use for commercial purposes.

"People who write that sort of thing do not know the true meaning of the Bible," he said.

Rev Stanley Mogoeba, secretary of the Conference of the Methodist Church of Southern Africa, also took a strong line against the wording of the article.

He said the parodying of God's law was objectionable.

"We cannot go along with anything that smacks of heresy. Not that it is heresy, but it's moving in that direction," he said.

"But at the same time I must say the Methodist Church fully endorses the drinking of milk opposed to the drinking of say alcohol," said Mr Mogoeba.

The Most Rev Denis Hurley, Catholic Archbishop of Durban, told the Sunday Tribune he respected the views of those offended by the "parody" but he said he had heard so many similar parodies in humorous vein, even in clerical circles, that he could not take the article seriously.

At least three of the "commandments" have one manufacturer of "alternatives" dairy products all steamed up.

These commandments read: "Thou shalt not partake of imitation dairy products", "thou shalt not take the word 'natural' in vain" and "thou shalt not kill dairy sales by buying imitation dairy products".

A livid Bill Stewart, managing director of Carnation Foods, described the articles as "yet another of the constant stabs in the back" from the dairy industry and said he was flabbergasted that the industry could stoop to blasphemy to achieve its ends.

"We believe that if the Dairy Foundation continue to use the words 'artificial' or 'imitation' to describe our products we'll have no alternative but to sue them," he said.

"Our products are totally natural," he said pointing out that one of the products falling foul of the dairy industry contained 50 percent skim milk powder — a dairy product — and 98 percent of the balance comprised natural agricultural ingredients.

The remaining two percent was made up of colourant and a free-flowing agent.

"In every country where coffee creamers and blends are produced there has never ever been any adverse publicity against these

products, for the simple reason that all these countries, whether they be in dairying products or not, see the need for such products and see the need for the free enterprise system," said Mr Stewart.

He said there were numerous products already on the South African market with ingredients similar to those manufactured by his company, yet the dairy industry saw fit to single out non-dairy creamers and blends.

Mr Stewart said the dairy industry's lack of new and innovative products was probably to blame.

The dairy industry saw innovations by his and other companies as a threat to their "unimaginative" range of products, he said.

A profusely apologetic Marj's Kritzingler, executive director of the Dairy Foundation and head of its public relations division, said he took full responsibility for the offending "commandments" article.

"It was placed in a news letter for the industry and was not intended for a wider public consumption, but if I have offended anyone, I will apologise in the next newsletter," he told the Sunday Tribune.

He said it was never intended to convey a biblical connotation and it was "purely coincidental" that there had been 10 "commandments" in the article.

"It was meant as a light-hearted piece," he said. Mr Kritzingler described as "chitlisp" Mr Stewart's attack on the dairy industry.

"We say their products have a right to be on the market, but all we ask is that they do not ride on the back of the dairy industry," he said.

He said the "alternatives" dairy products could never be the nutritional equivalent of dairy products and all the dairy industry asked was an acknowledgement of that.



(A.M.) (3) Dairy C. Times  
**Warning on imported  
dairy products if . . .** 16/4/82

Staff Reporter

BUTTER, cheese and other milk products may soon have to be imported at higher prices if dairy farmers do not receive added support from the government encouraging them to stay in the industry, according to a former member of the Dairy Board, Mr R W Hardingham.

Speaking at an Institute of Citizenship lunchtime meeting yesterday, Mr Hardingham, one of the largest dairy farmers in Natal, said: "The trend over the past two years has been a greater movement away from the dairy industry rather than towards it."

He said the two major factors causing dairy farmers to turn away from the milk industry were inflation, with ever-increasing production costs, and the excessive demands made on the dairy industry.

"Input costs have to be kept to a minimum and this is where the government must make a positive attempt to help the farmer."

#### Time devoted to production

The dairy farmer's time was devoted to production and not marketing the product. The Dairy Board, he said, took care of marketing.

"They are there to provide a stable form of production and to bring the final food product to the consumer in the cheapest possible form."

Mr Hardingham said the Dairy Board introduced increases in milk prices only after consultation with the consumer and the producers, because "it is realized that milk and milk products are essential foods".

"Production of industrial milk, used for cheese, butter and milk powder, is controlled throughout the country, while fresh milk is controlled only in seven areas in South Africa."

To regulate the quality and supply of

milk, all producers and distributors have to register with the Dairy Board.

Mr Hardingham also told the meeting that manufacturers who produced milk substitutes sold their products as dairy products, which they were not.

He quoted a booklet distributed by the South African Milk Distributors' Union which gave the ingredients of artificial milk substitutes.

"In artificial milk you are consuming corn syrup, vegetable fats, sodium caseinate, di-potassium phosphate, emulsifiers, stabilizer, anti-caking agents, colourants, anti-oxidants and flavouring agents."

"Whereas in pure, natural milk, there are proteins, fat, lactose, Vitamins A, B1, B2, B6, B12, C, D, Niacin, calcium and phosphorus."

#### Third rise since June

● Our Correspondent reports from Pretoria that a substantial increase in the price of dairy products, including fresh milk, is expected to be announced late next month.

This would be the third rise authorized by the government since June last year. Then the price was raised from 40 cents to 46 cents for home deliveries (a 15 percent increase) and in November by another two cents to 48 cents (a four percent rise). The prices of cheese and butter were raised at the same time.

Pretoria sources said the Minister of Agriculture, Mr P T du Plessis, would wait till the new maize price was fixed — it is expected to be announced before the end of the month — before submitting his recommendation to the cabinet food committee.

Maize constitutes between 25 and 30 percent of dairy farmers' total production costs. A demand by dairy farmers that the increase should be introduced from April 1 was rejected by the minister.

# Reef and Pretoria <sup>3</sup> milk shortage looms <sup>stop</sup> 19/4/82

By Caroline Braun,  
Consumer Reporter

A milk shortage of nearly one million litres a day is expected in the Witwatersrand-Pretoria area from this week.

A Dairy Board spokesman said production had dropped because of drought and many dairy farmers had left the industry because of low profits.

The Witwatersrand will be short of between 750 000 litres and 800 000 litres of fresh milk daily, while Pretoria's shortage will be between 180 000 litres and 200 000 litres a day.

This represents about 10 percent of daily consumption.

To relieve the shortage the Dairy Board will register interim milk producers from the Transvaal and Free State who will deliver milk to the Witwatersrand and Pretoria.

● The price of milk is expected to go up at the beginning of June.

(3) dairy

# Cutting the red tape

With winter milk shortages mounting in Pretoria and on the Witwatersrand, the Dairy Board has decided to bend the rules to keep milk farmers in production.

At a special meeting in Pretoria last week, the board made special concessions to dairymen whose applications had been previously turned down for technical reasons. The dispensation was also applied to farmers whose applications did not make the normal deadline of September 30.

And some who had permits to deliver milk, but who had not yet registered, were also given the green light to deliver.

The board says these interim measures have brought in 32 additional producers who should jointly supply another 28 000 l/day.

And if the supply situation gets even worse, the board intends to order a cut in production of milk by-products like yoghurt and cottage and cream cheese.

The board's move comes at a time when dairy farmers have been throwing in the towel and leaving their farms because the controlled milk price has made dairy farming unprofitable.

"We are unable to tell whether farmers have left for more lucrative businesses or have just retired," says Dairy Board PR Jaap de Bruyn, "but our statistics show that almost 5% of the 2 300 registered farmers have left dairy production recently."

The board is relying on surpluses from the Free State to supply the additional 6 800 l/day needed in the Pretoria area and

the 39 855 l/day required on the Witwatersrand. The figures represent shortfalls of 4% and 6% respectively, but both regions are expected to be facing a 10% undersupply within the next few months.

## Free State supplies

More worrying is that the Free State supplies could soon dry up as production falls in the winter season. Industrial milk is helping to ease the situation through use in dairy products. But as a fresh milk supplement, it is out. "Fresh milk is the priority product. We will not resort to industrial milk," says De Bruyn.

He adds that about 2 000 t of butter (against 1 600 t in 1981) and 4 500 t of milk powder are expected to be imported this year.

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798

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Milk producer ... diminishing returns

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BUILDING WORKERS UNION

# Milk imports aid Malebese

SOWETO'S 22 000 children fed by the well-known African Children Feeding Scheme, or "Malebese" as it is known in the township, will not be affected by the milk shortage which has hit the Witwatersrand and Pretoria.

The feeding scheme's director, Ms Keith Glyn said the shortage, which has reached alarming proportions of about 1-million litres a day, will not affect her "children" because, unlike fresh milk, skimmed milk can now be imported cheaply from overseas.

She said the Govern-

BY ELLIOT  
TSHINGWALA

ment had given them permission to import milk from foreign countries. She described this as an act of goodwill by the Government as they would otherwise have been faced with the problem of rising costs. Malebese feeds So-

weto children a pint of milk and two slices of bread with peanut butter and cheese for the low price of less than 10 cents.

The food is transported to various points in Soweto by vans belonging to the scheme. Recently a number of centres were set up in some of Soweto's townships where not only children will be fed but several other community projects will be run, said Ms Glyn.

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MILK SHORTAGE: Malebese's 'children' will not be affected.

## Britain seizes airfield

LONDON — The British Navy and Argentine Air Force were yesterday locked in a battle for supremacy over the Falklands (Malvinas) Islands as the Royal Navy task force apparently sought to clear the way for later British troop landings on the South Atlantic islands.

Reports reaching London said that the task force was expected to keep up its naval bombardment of the air-

field at Port Stanley, the islands' capital.

The reports said the shelling was aimed not only at destroying equipment but also at weakening the morale of Argentine troops by allowing them no sleep.

A naval bombardment on Saturday sparked off a riposte by Argentine jet fighters and Canberra bombers which launched an attack on the British fleet.

The vital airfield at Port Stanley was the chief target in airstrikes on Saturday.

Until Britain imposed a total air and sea blockade on the Falklands three days ago the airfield was the only link with the Argentine

Defence experts here said that the Argentines could be expected to make a renewed aerial assault on the British fleet when dawn came to the South Atlantic.

Speculation here centred on whether the British would begin troop landings soon and where they would strike.

Meanwhile British Foreign Secretary Francis Pym, who arrived in Washington for talks with United States secretary of State Alexander Haig, made it clear that despite the fighting in the Falklands, Britain was still prepared if possible to resolve the crisis by negotiations.

But he said that Britain was determined to

## News briefs Priest banned

THE Secretary-General of the Southern African Catholic Bishops' Conference, Father Smapangiso Mkhathshwa, was served with a banning order only hours before the expiry of his existing order on Friday.

The re-imposition of the ban on Mr Mkhathshwa, the top official of the Catholic Church in Southern Africa, came as the region's bishops prepared to leave Rome after visiting the Pope last week.

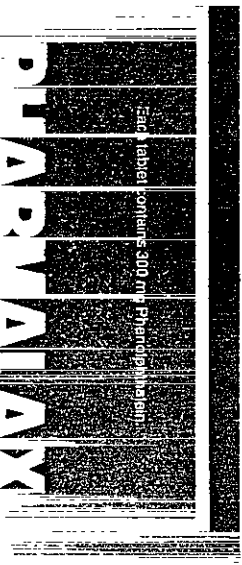
## Arms caches

HARARE — The Government has discovered more arms caches in the Kezi area of Matabeleland, the Minister of State in the Prime Minister's office, Mr Emmer-son Munnangawa, announced on Saturday.

He said the arms, found on Thursday, were contained in 20 to 200 litre drums. "The State Security machinery continues to discover large and small quantities of arms caches in the Matabeleland area cached by Zipra command elements," the Minister said.

## Tall and short

GOOD news to people from all walks of life who experience clothing problems because of



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STABRAWA

Other

Diamond Cutters Union of Sc  
Jewellers and Goldsmiths Ur  
Optical Workers Union  
S.A. Association of Dental  
S.A. Diamond Workers Union

ELECTRICITY, GAS AND WATER

Cape Town Gas Workers Union  
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Escom Salaried Staff Associ  
Escom Workers Association  
General Workers Union  
Johannesburg Municipal Wate

CONSTRUCTION

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Transvaal Retail Meat Trade

Catering and Accommodation

Commercial, Catering and Allied Workers Union  
East London Liquor & Catering Trades Employees Union

THE 500 Van Riebeeck delivered to some regular Dairy workers who went on strike on Monday went back to work on Tuesday morning. Later that day a number of housewives, who normally buy milk from other dairies, complained about being given milk bottled in Van Riebeeck bottles.

In Wynberg, families who spoke to us told us that they were given milk bottled in Joyce's Dairy in Grassy Park were given milk bottled in Van Riebeeck bottles. Joyce's dairy normally services both areas.

A Union Dairy spokesman, Mr Anderson — he would not give his first name or position at the time — denied that this firm had happened. He said that Union Dairy was only able to deliver milk bottled in Van Riebeeck bottles because all Union Dairy's milk was usually bottled by Van Riebeeck. However, because of the strike they had not bottled any milk for Union.

Earlier a switchboard operator at Union told Cape Herald that they had delivered milk bottled in both Union Dairy bottles and in Van Riebeeck dairy bottles. She said that because of the "problems" at the Van Riebeeck factory, they had taken their own staff and "grabbed everything they could get at the factory."

One of the workers' demands was that the basic salary be increased from R175 to R200 a month. This was granted. The workers also said that their hours were too long and that their work was dangerous. If they were robbed, they had to pay back the stolen money themselves.

Some of the workers claimed that they were required to work from 1 am to 3 pm on occasion. They say that their foreman is sometimes rude to them and that they hardly ever received overtime pay. The workers said that if they went to the Transkei while employed by Van Riebeeck they were to get the same wage when they returned.

**Rumpus over 'day-old' milk...**  
*3 Dairies*  
*8/4/82*  
*C. Herald*

"The deliverymen who start work at 1 am do not get back all that late. I cannot tell you what time they do get back, but the 150 trucks are sent out between 1 am and 6 am and they usually get back in the order they were sent out."

"I must also point out that any job has its dangers, and when they joined the company they were told what was expected of them," he said.

He pointed out that if the workers had any grievances they should take them up with the Haisson committee or the "senior bank staff."

All dairies were delivering milk bottled in their own bottles on Wednesday morning.

ACCEPTED

Mean while dairy workers at Van Riebeeck have accepted a pay rise of R25 a month and have gone back to work voluntarily.

TRANSKEI

Mr M O'Connor, the marketing manager, said, "However, that workers were never paid the basic wage when they returned from renewing their contracts."

TRUCKS

As far as I know this has never happened. When they return they get the same pay," he said.

# Dairy farms row rages

By MONK NKOMO

THE Atteridgeville/Saulsville Community Council has resolved to petition the State President, Mr Marais Viljoen, on the controversial Dairy Farms following yesterday's announcement that the Government would not reverse its decision of declaring it an Indian area.

The Government's final stand on the issue — after more than 13 months of negotiations — was condemned by the Council which warned of a looming confrontation. The Council also said authorities were sitting on a powder keg ready to explode.

Senior officials from the Departments of Community Development and Co-operation and Development, told the Council at a special meeting, that the matter was twice discussed at Cabinet level and that there was no alternative but to declare the area an Indian residential area.

Mr A Nel, from the Department of Community Development, said the Minister had also considered alternatives by the Council which were not acceptable. The rail line, he added, made it impossible to allocate the land to the Council. It was also difficult to get land adjacent to Laudium, Mr Nel said.

The decision, he added, was made following recommendations from the Group Areas Board.

Welders

RS

Products

Africa

ucts

United African Motor and Allied Workers  
 Transvaal, Radio, Television and Allied  
 Steel, Engineering and Allied Workers  
 South African Allied Workers Union (S  
 S.A. Tin Workers Union  
 S.A. Iron, Steel and Allied Industries  
 S.A. Electrical Workers Union  
 S.A. Bolt-makers, Iron and Steelworkers  
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 land near the rail line,  
 Mr Nel said plans were  
 underway to have a road  
 General Wo-  
 built there.  
 Industrial

The Council, as a last  
 resort, resolved to peti  
 tion the State President  
 in an effort to have him  
 reverse the decision.  
 Durban Rub  
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 Chemical Workers Union  
 Chemical Workers Industrial Union  
 Chemical and Allied Workers Union  
 Chemical Workers Union  
 Cape Explosives Industrial Workers  
 Black Allied Workers Union

Chemical & Chemical Products, Coal,  
 Black Allied Workers Union

DOM 4/6/82 Dairy

## Dairy (3) products price hike predicted

### Pretoria Bureau

A LARGE rise in the price of dairy products will be announced by the Minister of Agriculture Mr Piet Du Plessis after next Tuesday's Cabinet meeting, according to Pretoria sources.

The Dairy Committee of the SA Agricultural Union submitted claims in February for increases of 18% in fresh milk prices and 17% for industrial milk.

The expected increases will be the third in a year.

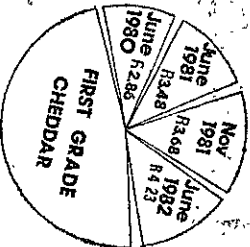
The price of home delivered milk was raised by 15% from 40c to 46c a litre on June 1 last year and was again raised on November 13 by 4.3% — from 46c to 48c a litre.

Delivered milk will cost more than 50c a litre following the new increase.

Higher producer milk prices also mean higher butter and cheese prices and industrial milk price increases will push up the cost of powdered and condensed milk.

Economists said the new increase would affect the poor who have paid an additional 15% for maize since May.

And from October 1 pockets will be emptier still after a bread price rise following an announcement by the Minister of Finance, Mr Owen Horwood, that bread subsidies are to be reduced.



The 15 percent increase in the price of cheese will push the price of first grade cheddar up to R4,23 a kg.

Choice Grade June 1982	3.68 per kg.
Nov 1981	3.16
June 1981	2.88
June 1980	2.58

**Butter Price Increases**  
The butter price will increase by 16,4 percent. Choice grade butter will cost R3,68 a kilogram

# Prices of milk, cheese and butter to go up

*(3) Dairy products*  
*18/6/82*

The price of milk would rise by an average six cents a litre from July 1, the Dairy Board said in Pretoria yesterday.

The price of butter will rise by 16,4 percent at the same time and the price of cheese will go up 15 percent.

The vice-chairman of the Board, Dr. J. H. Grey, said the increases had become necessary because of increased production costs and the growing demand for milk and other dairy products.

He said the basic consumer price increase for fresh milk in areas which fall under the control of the Board would be about

six cents a litre. The producers' price would increase by 3,85 cents a litre and the distribution margin would go up by between 2c and 2,5 cents a litre.

The basic producers' price for industrial milk would increase by R3,28 for each 100 kg, Dr Grey said.

Choice grade butter will cost R1,84 for 500g, first grade cheddar cheese R4,24 a kilogram and first grade gouda cheese R4,29.

Dr Grey said the increases had been unavoidable. The country had faced a greater milk shortage than usual this winter because of a dry, hot summer. Production had also

plummeted due to producers leaving the industry because of the low price during the past year, following rises in the cost of transport (about 16 percent), feeding costs (20 percent), electricity, labour and machinery.

Large supplies of butter and milk powder had had to be imported to cope with the acute shortage of fresh milk.

The vice-chairman of the National Dairy Committee of the SA Agricultural Union, Mr. Christie Burger, said milk producers were sorry that the price had had to be increased, but they were nevertheless very

thankful for it. The price increases would stimulate and restore confidence in the milk industry, Mr Burger said.

But he warned that prices would have to be adjusted sooner in future because the producer had to absorb substantial increases in costs while waiting for adjustments.

Mrs Joy Hurwitz, national president of the Housewives League, said the league had done everything in its power to prevent price increases in dairy products.

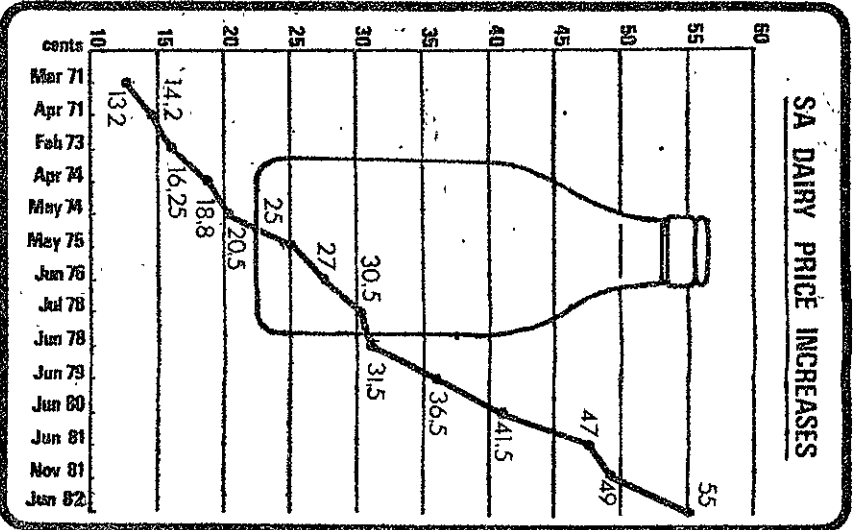
She said she had met milk producers last November and told them higher prices for their product were not

healthy for the nation. The Minister of agriculture, Mr du Plessis, had assured her that prices for basic foodstuffs would not rise drastically.

"Now there has been a maize price increase and another 'stinger' in the milk price. Excluding the latest increase, the price of milk has gone up by more than 260 percent in the last 11 years," she said.

"We appreciate that farming costs have increased but the price should cover only costs and a fair profit margin. Producers and retailers should cut their costs and try not to push up prices."

—  
Owen Correspondent, Sapa.



The supermarket price of milk will increase to 55c a litre excluding GST. The new home delivery price is 56,5c.



Post Correspondent

JOHANNESBURG — The management committee of the Housewives' League is to discuss a possible boycott of dairy products in the wake of the latest price increases.

Yesterday the Dairy Board announced that the cost of milk would rise 6c a litre from July 1. This means that in Port Elizabeth it will retail at about 56c.

The 12,8% rise in the milk price is accompanied by a 15% hike in the price of cheddar and gouda cheese and a 16,4% increase in the butter price.

Mrs Joy Hurwitz, chairman of the Housewives' League, confirmed today that the management committee of the organisation would meet on Monday to discuss a boycott.

Mrs Hurwitz said her organisation had talked and talked with producers, distributors and even the Minister of Agriculture, but it had got them nowhere.

# Housewives to discuss dairy products boycott

*E. Post 18/6/82 (24) (3) Dairy + milk*

"The situation is now very serious and a lot of members feel boycotting dairy products may be the only way to deal with it."

Port Elizabeth housewives are also upset by the increase.

Said Mrs Roz Hirsch, of Humewood: "This is abominable. Increases like this always hit the people who cannot afford it. The Government is constantly backing the farmers. It's time the housewife was looked after."

Mrs K Jeffrey, of Central, said: "This is going to affect families with children who drink milk."

A married full-time stu-

dent at the University of Port Elizabeth said: "When you live on a tight budget and have to support yourself studying, you buy cheap."

"We drink three litres of milk a day and eat a lot of cheese. Now that these commodities have become astronomically expensive, what are we going to do?"

Independent ombudsman Mr Eugene Roelofse said the new price of dairy products would be paid for with malnutrition.

"We cannot see this increase in isolation. The Government has allowed maize to be exported at a loss and we have to pay. The maize increases have

rippled through the economy. If maize farmers get an increase why can't milk farmers?" Mr Roelofse asked.

"Farmers are in a privileged position in this country and when the farmers say jump, the Government says: 'How high?'"

The vice-chairman of the Dairy Board, Mr J H Grey, said the higher production costs and the big demand for milk had necessitated the increases.

He said dairy farming had been affected by factors such as the rise in feeding costs of more than 20%, a 16% rise in transport costs and more expensive

electricity, labour and machinery."

Mr Christie Burger, vice-chairman of the South African Agricultural Union's national dairy committee, said prices would have to be adjusted sooner in future.

Producers had to absorb substantial increases in production costs while waiting for adjustments, he said.

Sapa reports that Mrs Betty Hirzel, chairman of the South African Consumer Council, said the price hike was justified.

But she also expressed the fear that consumers would use milk substitutes with less nutritional value.

# Dairy product price rise under fire

CAPE TIMES  
19/6/82

3 Dairy  
1982

THE six-cent increase in the price of delivered milk, due to come into effect on July 1, has been criticized by consumer representatives and the private sector.

The assistant director of the Consumer Council, Mr Bill Heunis, said yesterday the escalating price of fresh milk would "definitely affect" the price of several other dairy products and "certainly add to the burden of the hard-pressed consumer".

And this "further blow" to the consumer would probably cause them to buy less fresh milk and more substitute or part-substitute products.

He said consumers who could not cope indefinitely with constantly rising food prices should be assisted in some way by the authorities.

The managing director of Checkers, Mr Gordon Utian, said the government should urgently review the situation. Basic nutritional foodstuffs were becoming unattainable to a large part of the population.

He said his company would continue to sell milk and butter at cost prices, but five or six cents could be saved on a litre of milk if home deliveries were discontinued, thus allowing supermarkets to sell milk in glass bottles.

● Sapa reports from Johannesburg that black leaders expressed shock and anger and called for more government subsidies.

A director of the Urban Foundation, Mrs Deborah Mabiletsa, said she was alarmed at how the expenditure of people with low incomes was gradually increasing without corresponding increases in wages.

She said dairy products were being put out of reach of the ordinary black person.

In response to the protest, the chairman of the Cape Dairy Producers Association, Mr M Henning, said dairies could not absorb any cost rises this year.

# Milk sales set to plunge as prices go up

③ Dairy + milk

THOUSANDS of people are expected to switch to powdered milks because of the 6c a litre increase in fresh milk from July 1.

Consumer bodies are angry at the latest dairy price rise, while milk producers say it could have come sooner. Cheese and butter prices will also soar.

Mrs Joy Hurwitz, president of the South African Housewives' League, said yesterday the league had fought to prevent high price rises in dairy products.

She said she had met milk producers last November and told them higher prices were not "healthy".

However, Mrs Betty Hirzel, chairman of the South African Consumer Council, said the rise was justified.

She said she was more concerned about the price of cheese since all other high-protein foods had already become more expensive.

Spokesman for several supermarket chains said yesterday they had not yet decided how much to charge for butter and cheese after July 1.

New prices for yoghurt, cottage cheese and similar products were also being examined.

The managing director of a supermarket chain, Mr Gordon Utian, said if the Government had been prepared to revise the marketing system, there would have been no "excessive and inflationary price increase in dairy products".

He said the discontinuation of home deliveries, allowing supermarkets to sell milk in glass bottles, would save five or six cents a litre on milk.

Mr M Henning, chairman of the Cape Dairy Producers Association, said since dairies had received a smaller increase than they asked for, they would be unable to absorb any rise in their costs this year. — Sapa.

GERALD REILLY reports from Pretoria that pressure on the Minister of Finance, Mr Owen Horwood, to urgently review his food subsidy policy is certain to increase.

Labour leaders say the urgency of the issue has been underlined by the rise in dairy goods prices.

The trade union movement is almost unanimous that subsidies on essential foods should be raised and that they should be free from GST.

The Trade Union Council of South Africa and the SA Confederation of Labour have repeatedly appealed to the Government to reduce basic food costs.

The PFP's finance spokesman, Mr Harry Schwarz has also called for a scrapping of the tax and for higher subsidies.

He said yesterday the Government's inability to resist increases in administered food prices had been demonstrated for years.

Mr Schwarz said the system was a major factor in South Africa's high inflation rate and should be overhauled urgently.

So far this year the Government has submitted to all producer demands for higher prices for commodities under its control.

In Paarl next week, wheat producers will meet to determine price recommendations for the new crop.

**Milk**

③ Milk +  
price dairy  
products

**rockets**

22/6/82  
**to 57c**

**a litre**

By SINNAH  
KUNENE

"WE are always call-  
on to tighten our  
but we are now in a posi-  
tion where we cannot af-  
ford belts any more."

This was said by the  
Ombudsman, Mr. Eu-  
gene Roelofse, reacting  
to reports that the  
Minister of Agriculture,  
Mr P T C du Plessis, had  
agreed to an increase in  
the price of milk.

#### FARMERS

Farmers have been  
granted permission to  
increase the price by  
four cents a litre, which  
results in a six-cent in-  
crease on every litre  
across the counter. This  
means that consumers  
will now pay 57 cents for  
a litre.

Mr Roelofse said the  
new increase was not  
unexpected, as "the  
Government had  
already given in to the  
demands for an increase  
in the price of maize.

"It was a question of  
time as to when it would  
have a spreading effect.  
We are expected to pay  
more for every product  
maize is used for," he  
said.

#### LOSS

The Ombudsman  
added the initial in-  
crease should have been  
stopped as "it is an open  
secret that huge quanti-  
ties of maize in South  
Africa are exported at a  
loss, and these are cov-  
ered by increasing the  
price of maize."

Nutritionists, charity  
organisations, house-  
wives and traders de-  
plored the new increase.

"Not when there is  
such a high rate of mal-  
nourished children in  
the black community,"  
said a Soweto nutrition-  
ist.

#### DILUTE

A mother of six-  
month-old twins, Mrs  
Tabiso Mokoena, of Or-  
lando West, voiced the  
same feeling. She feared  
the new increase would  
result in higher dilution  
of powdered milk, as  
many parents would cut  
the powder down and  
add more water.

Another housewife  
attacked the Dairy  
Board for "wasting a lot  
of money in advertising  
a staple diet like milk."  
She said manufacturers  
paid something like  
R5 000 for a television  
spot.

trophy at his school last year.

Et Post 25/6/82  
**Inquiry into dairy industry ordered** (3) Dairy products

PRETORIA — The Dairy Control Board has told the Housewives' League that the Minister of Agriculture and Fisheries, Mr Piet du Plessis, has ordered an in-depth investigation of the dairy industry, SABC radio news reported yesterday.

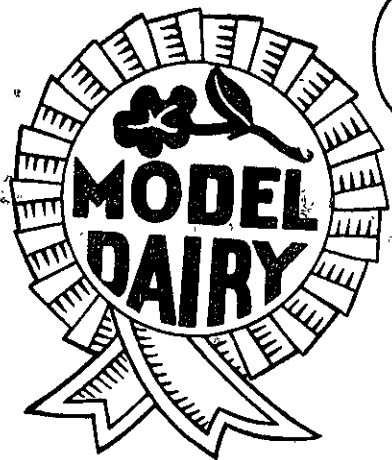
The investigation will concentrate on the costs of producers and distributors of dairy products.

The president of the Housewives' League, Mrs

Joy Hurwitz, said she welcomed the decision, but regretted the investigation had not been held sooner.

She suggested that half the recently announced price increase for milk be waived until the results of the investigation have been published. — Sapa

Meanwhile, maize producers have also called for an investigation of their industry. — Sapa



③ Dairy products

D. Dispatch

# ANNOUNCEMENT TO HOUSEHOLDERS

29/6/82

The prices of fresh milk delivered to your door-step will be increased as from 1st July, 1982 to the following:

Cash — 58 cents per litre, including G.S.T.  
Tokens — 56,5 cents per litre, including G.S.T.

Take advantage of the substantial savings that can be made by using our milk tokens. These can be obtained from your local store at the following prices per stick of 20:

**RED TOKENS** (While stocks last) — R10,80  
Including G.S.T.

**BLUE TOKENS** (New issue) — R11,30 Including G.S.T.

*NB: As a special concession to our customers who still have stocks of our Red Tokens we will not impose the increase on these tokens.*

**THEREFORE DO NOT ADD ANY CASH TO YOUR RED TOKENS**

★ For our customers who wish to collect their milk from our kiosks in Phillip Frame Road, East London and Taylor Street, King William's Town the "Cash-and-Carry" price will be 55 cents per litre, including G.S.T., on a "Bottle-for-Bottle" basis only.

*Fresh*

^

**Milk**

*my daily strength*

# Milk up 1c tomorrow — 3rd increase in 1982

③ Dairy products  
Star 31/8/82

**Consumer Reporter**  
A litre of milk will cost one cent more from tomorrow when the increased GST rates come into effect.

The price of home

delivered milk and milk bought from a dairy will increase to 57,5c a litre (including tax) on the Witwatersrand. Milk sold at cafes will cost 66c a litre.

This is the third increase in milk prices since the beginning of the year. In February the price of a litre of milk went up one cent after GST increased from four to five percent.

Prices rose by an average 6c a litre in June when the Dairy Board announced the new rates. The latest increase is a result of a further increase in GST, from five to six percent.

At the start of the year a litre of milk cost 49,5c from a dairy. The new price of 57,5 is 16 percent higher than this.

A spokesman for the Dairy Board said buyers who had coupons at the old prices could continue to use them after tomorrow and need not add an extra cent.

The new GST rate is:  
up to 8c — no tax; 9 to 24c — 1c; 25 to 41c — 2c; 42 to 58c — 3c; 59 to 74c — 4c; 75 to 91c — 5c; 92c to R1 — 6c

## Tax evasion spurs shopping invasion

By Caroline Braun

Shops on the Witwatersrand reported a rush of panic buying at the weekend after the announcement of a one cent in the rand increase in GST from tomorrow.

A spokesman for Checkers said trading had been hectic on Saturday at all stores, especially multimarkets.

"Even today there were as many as 50 customers queueing outside multimarkets before the doors opened.

"Extra casual staff may be needed today and tomorrow if our normal staff complement cannot cope with the rush," she said.

Mr Gerald Manne, general manager of OK Hyperamas, said trading on Saturday was "unbelievable."

"Every line was selling well and our biggest problem was keeping the shelves full," he said.

Mr Gordon Hoult, general manager of Pick 'n Pay in the Transvaal, said several of his stores were busier than usual and some had had a record day.

"It was a combination of being the end of the month, a Saturday, and the impending GST increase that made last Saturday a bumper shopping day," he said.

9/19/82  
**Dairymen**  
set for <sup>(3) Dairy</sup> <sub>Law</sub>  
milk battle

**Own Correspondent.**  
The battle between the Dairy Board and the manufacturers and sellers of dairy product substitutes is coming to a head.

The Department of Agriculture is drafting legislation to prevent manufacturers and sellers of substitutes capitalising on the nutritional and wholesome qualities of genuine dairy products through deceptive advertising and incomplete labelling of their products, the Minister of Agriculture, Mr. Greyling Wentzel, has said.

At the annual general meeting of the Transvaal Fresh Milk Producers' Association in Heidelberg yesterday, Mr. Wentzel said this legislation should have the effect of making the consumer aware of the difference between actual and substitute dairy products.

"It is unfortunate some consumers are concerned only with the price and that the market share of substitute milk, the so-called 'blends,' increases substantially with every milk price increase.

"With the exception of cheese, substitutes are available for all other dairy products. Substitutes for fresh milk, condensed milk and milk powders take the form of coffee and tea whiteners and blends.

"At a very conservative estimate substitutes replace about 70 million litres of milk annually," Mr. Wentzel said.



NEWS

# SA's war efforts are being ignored

The Star Bureau  
LONDON — The SAAF's 60 Squadron was the first to photograph the notorious extermination camp Auschwitz in World War 2 but as far as a BBC TV documentary is concerned they might as well have confined their sorties to flights over Sandton or Swellendam.

The RAF and American air force take the honours but the fact remains that two South African airmen delivered those first Auschwitz pictures — even if they did not realise at the time what a grim scene had passed before their lens.

Lieutenant Charles Barry, the pilot, and Lieutenant Ian McIntyre, of 60 Squadron, made that flight. The date: April 4 1944.

Mr Barry lives in Johannesburg; Mr McIntyre died some years ago. Mr Barry has recalled: "I and I made two runs over the Auschwitz/Birkenau complex, known as Oswiecim in those days. We knew the one camera had failed and we wanted complete coverage. When the camera

# Dairy row: milk men flex muscles

# Draft Bill to get blenders into line

By Colleen Ryan  
Consumer Reporter

Draft legislation to prevent deceptive advertising and labelling of dairy substitutes could renew the row between fresh milk producers and the marketers of rival products. Last week the Minister of Agriculture Mr Greyling Wenzel, said the legislation would prevent sellers of substitutes from capitalising on the nutritional qualities of genuine dairy products. He said this would help consumers distinguish between real and

substitute milk products.

The executive director of the SA Dairy Foundation, Mr Marinus Krizinger, supports the proposed legislation.

"I think it is unfair that milk products should be regulated as far as ingredients and packaging is concerned, while our competitors can do whatever they like," he said.

"I am against protective legislation in the market, but it is only fair that milk substitute producers are subject to the same controls as we are," Mr Krizinger explained.

The legislation would also protect the consumer and make him aware of the difference between the various products, he said.

The producers of dairy creamers and blends were cautious in their interpretation of the Minister's announcement, but most said they would protect their own interests.

A loose body representing the three major manufacturers has been formed to co-ordinate response to the draft legislation expected later this year. Mr Rodney Maree, managing director of

Borden Foods which manufactures a milk blend, denied that consumers were misled by labels and advertising.

Mr John Vincent, a director of Carnation Foods, also defended the marketing of dairy substitutes.

"We believe as an industry that advertising has been competitive, but it is not misleading, but it is not misrepresentative," he said.

One production manager said the legislation would serve to quell the fears of milk producers.

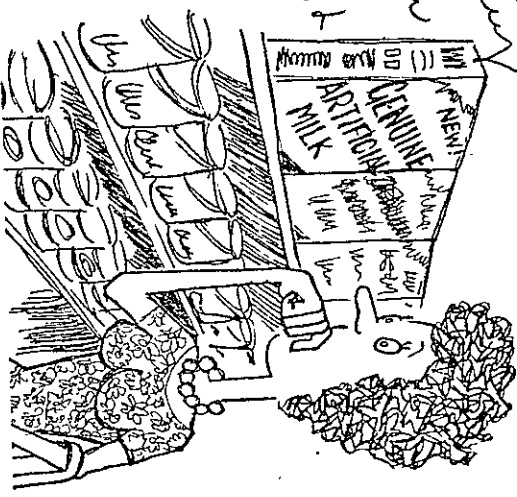
"Dairy products are becoming too expensive

for many, and products and blends are the cheaper alternative," he said.

The national chairwives' League, Mrs Joyman, on the House-Hurwitz said: "People are buying alternative products, but they

should be aware of their actual milk content.

"It is all very well to pass legislation regarding advertising and labels, but South Africans must also learn to read the labels and understand their significance," she said.



# Tearful Queen welcomed

PORTSMOUTH — Prince Andrew was welcomed home from the Falkland Islands war with his 1 000 shipmates yesterday by a tearful Queen Elizabeth and a red, white and blue reception at Portsmouth navy base. Tens of thousands of

the 19 500-ton aircraft carrier Invincible, which the Argentinians repeatedly claimed to have sunk, into its berth after a record 166 days at sea.

The party-loving Andrew, a 22-year-old Sea King helicopter pilot who is third in line to the British throne, told

said, "was an experience I wouldn't have missed for the world."

The Queen, his father Prince Philip, and his sister, Princess Anne, went out to the carrier by royal barge for a 10-minute private reunion in the admiral's cabin before the Invincible docked.



# Massive skim-milk surplus predicted

3 Dairy Pietermaritzburg Bureau *Mercury*  
28/9/52

SOUTH Africa is heading for a giant surplus of skim-milk in the New Year and lower prices for powdered milk products — an important source of protein in black townships and rural areas — could follow.

A spokesman for the Dairy Board in Pretoria told the Mercury yesterday they anticipated a surplus of about 12 000 tons by February.

The country's total annual consumption of skim-milk was about 18 000 tons.

He said the surplus was partly caused by the nationwide glut of beef which was forcing farmers to turn to milk production.

A recent increase in the controlled price of milk paid to dairy farmers would also have been a contributory factor.

However, he did not see the looming surplus as a problem, as it could be stored for as long as it took to be absorbed by the market or it could be disposed of at a reasonable loss, for example, to ice-cream or stock feed manufacturers.

## Competitive

The news was welcomed by a spokesman for Borden Foods, who manufacture an instant milk product.

'I'm very pleased because this means we can become even more competitive and certainly if we can get our price down, we would love to do so,' he said.

Asked if this could lead to a price war in the industry, he said he hoped not.

'I don't think a price war is ever healthy for the industry.'

'It plays havoc within the trade and it normally is not in the interests of the consumers, who have to pay, eventually, for the manufacturer's losses.'

30m 11/10/87  
③ Dairy and milk

# New milk and beef cattle breed for poor countries

London Bureau

LONDON. — A new breed of cattle which could transform the production of beef and milk in some of the poorest countries in the world has been developed in Britain.

Known as the Simbrah, the new breed is a carefully selected cross between the Brahman cattle of the Far East and the European Simmental.

Nine young Simmental bulls and three cows, valued at more than R50 000, are now ready to be flown to Texas next month to take part in the cross breeding programme. Over the next five years it is hoped to produce thousands more Simbrahs to add to a large herd which has already been built up in America.

Although Simmental cattle originated in Switzerland,

and are reared in large numbers in America, those bred in Britain are highly prized for beef. By crossing them with the Brahman, which is used widely in Asia and Africa and is possibly the biggest single cattle breed in the world, American breeders are creating herds of cattle which can produce more beef and milk in arid conditions in the Third World.

Mr David Gaunt, secretary of the British Simmental Cat-

tle Society, said: "The Americans consider that the high cost of beef production in Britain and America is limiting the opportunities for cattle breeders on both sides of the Atlantic.

"But there is a great need to increase food production in the poorer countries of Africa, Asia and South America, where the quality of grazing land is often well below the standards required

for the best Western breeds.

"The Simmental can be used for both beef and milk and has proved itself to be successful in a number of cross breeding projects".

Distinctive features of the new breed include the white and reddish brown colouring of the Simmental and the large floppy ears of the Brahman. It is hoped the cattle will display the Brahman's high resistance to tropical diseases and parasites.

FM 29/10/82  
DAIRY INDUSTRY

## Helping itself

Consumers can thank the world recession for this week's 35c/kg cut in the price of cheddar cheese.

Although cheese and butter prices were chopped in 1980, most past surpluses have been exported. But because international prices are now very low, the Dairy Board's (DB) Jaap de Bruyn says, "we decided the public should get the benefit from the over-production."

He says the 2 000 kg released on the market this week is only part of the present surplus, but is serving to test consumer demand. If the cheddar excess builds up again later this year, as expected, the DB will consider another price-cut promotion.

The surplus has resulted indirectly from the recent good rains which boosted industrial milk production.

Says de Bruyn: "We are not making any predictions about future production trends and a further surplus. But the DB will consider promotions later, maybe in a few months."

The board believes the promotion will do the industry's image good and that the 2 000 t, almost 10% of annual local cheddar sales of about 19 000 t, will last no more than a week.

Also expected to promote the dairy in-

dustry is the newly-launched Dairy Foundation (DF) course for retail personnel who handle milk-derived products.

Says DF executive director Marius Kritzinger: "Manufacturers have been getting a bad name among consumers because products which have been mishandled are thought to be bad quality. Besides that, it is a waste of food and loses the industry millions of rands a year."

As about 75% of SA's dairy foodstuffs go

through retailer hands, the industry believes it in its own interest to sponsor the training programme, which the DF has been developing for the past two years.

There are training facilities in major centres, where participants learn about specific products, their microbiological aspects and nutrition. The DF says that, to deal with the high turnover of retail staff, the course will be run on a permanent basis and regularly updated.

# MILK & DAIRY PRODUCTS

1983

JANUARY - DECEMBER

By Colleen Ryan, Consumer Reporter

The Dairy Board is faced with a growing surplus of butter, cheese and milk and may cut the prices to reduce the oversupply.

There is an 11 percent surplus of cheddar cheese, a five percent surplus of gouda and a four percent surplus of butter, said Mr Jaap de Bruyn, spokesman for the Dairy Board.

The country-wide drought has forced maize farmers to increase milk production as ruined maize crops are now being used for animal feed, said Mr de Bruyn.

Beef farmers are also unable to sell all their carcasses on the market because of slack demand. Like maize producers, many are increasing milk production.

Dairy Board members meet next month and will consider a price reduction in dairy products to boost sales, he said.

The oversupply problem is a growing headache for the board because the export market is flooded with milk products.

"We can only export at a considerable loss and so the option is to sell to South African consumers at a lower price," he said.

Earlier the board predicted there would be a 12 000t surplus of powdered milk this year. Sources in the industry say the figure is closer to 18 000t.

The long-term picture looks grim for the dairy industry because the drought will eventually take its toll on farmers, said Mr de Bruyn.

Grazing is being depleted and feeding reserves of maize will eventually become reduced.

"We are in a difficult position because if the drought continues there will be a shortage," he said.

"We don't want to go from surplus to shortage. The board is taking a serious look at the problem because something must be done."

Retailers have welcomed the possibility of a discount on dairy products.

"The previous promotion was a big success and we will co-operate fully with the board should it decide to lower prices," said Mr Richard Cohen, a director of a major group of supermarkets.

"We are delighted the board may be considering a price reduction," said Mrs Jean Tatham, vice-president of the Housewives' League.

Dairy Board may cut prices to avoid 'flood'

3 Dairy  
Star 6/11/83

*(3) Dairy*  
**Milk not so  
profitable?** *DM*

*11/183*  
THE suggestion of a price reduction to combat the present surplus in dairy products was a "simplification of a much more complex problem," the general manager of the Dairy Board, Mr P E Roux, said yesterday.

He said people had been led to believe a milk surplus inevitably led to a price decrease, causing false expectations on the part of the public.

He said the present milk surplus was not caused by profitable production but by drought-hit crop producers being forced into milk production to make money.

He added that the heatwave was already leading to reduced milk deliveries and the surplus had virtually disappeared in some areas. — Sapa.

# Dairymen want import duty <sup>(3) Dairy</sup> on substitutes <sup>26/11/87</sup>

Dairy substitutes are a growing threat to the dairy industry, Mr Eddie Roux, general manager of the Dairy Board, said at Agrogon. 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.



*House and Q. Col. 220*  
Subsidies: bread/maize/butter  
*24#*  
138. Mr. R. W. HARDINGHAM asked  
the Minister of Agriculture:

*18/7/83*

What amount was paid out in subsidies in respect of (a) bread, (b) maize and (c) butter for consumer use in 1982?

The MINISTER OF AGRICULTURE:

- (a) R181 968 823,44 (1981/82 financial year).
- (b) R82 949 863,32 (1981/82 financial year).
- (c) R3 210 715,75 (1981/1982 financial year).

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Mall Reporter

YELLOW margarine prices are at their lowest level in two years as manufacturers wage a cut-throat war to improve their market share.

The price-war is a result of Durban-based Tongaat Oil and Food Products, who slashed margarine prices after their entry into the margarine market at the end of last year.

They have launched three brands of yellow margarine — Ole, Rondo and Margot, which is a catering pack.

Prices yesterday averaged between 69c and 89c for a 500g pack, with a drop of about 10c on tubs.

The company's main competitor is Van den Bergh and Jurgens, a subsidiary of the giant Unilever Company —

(2) (3) Durban (3) ~~by P. K. ...~~  
Prices are slashed as  
margarine war rages  
rep 67 25/2/83

also based in Durban — which previously had 60% of the yellow margarine market. SA Margarine and Premier Foods account for the other 40%.

Mr Andre du Chenne, divisional marketing director of Tongaat Foods, said the company's entry into the market was a responsible move.

"We believe that our main competitor, Van den Bergh and Jurgens, dropped prices to the current unprecedented levels because of our entry.

They have lost a major share of the market and are reacting by slashing their prices," he said.

He thought the low prices would hold beyond the beginning of April and said it could be several months after that before they returned to the August 1982 levels of 90c to 95c a 500g pack.

Mr Dave Pickett, marketing director for Van den Bergh and Jurgens, blamed the price slump on the economic downswing, but could

not be reached for further comment yesterday.

The public relations officer for Checkers, Miss P Lomborg, said they only expected the current prices to last until March 5.

She said the new price war was a good thing because "margarine was getting to be such a ridiculous price".

Margarine price reductions for a 500g brick this week were Flora: 99c to 89c, Yellow Band: 82c to 69c, Rama 84c to 75c, and Rondo 76c to 69c.

# Dairymen upset over imports

By Hannes Ferguson,  
Farming Correspondent

THA  
③ Dairy  
Star  
2/3/83

The dairy industry lives in fear of being turned sour by the Department of Industries.

This emerged at a Press conference yesterday when the chairman of the Dairy Control Board, Mr Jan van Vuuren, said there was a growing surplus of milk and dairy products — at present five percent of production.

To prevent producers leaving the industry, their costs had to be met and the surplus was therefore being stored as milk powder. A price reduction scheme was impossible in the circumstances.

Apart from the economic downturn, the main cause of the threatened glut was the uncontrolled import of milk solids from Europe and the United States.

The DCB had the power to regulate imports of milk powder but not the importation of the individual constituents. These came in — unchecked and uninspected — under blanket permits.

## NEW NEGOTIATIONS

Mr van Vuuren said possible disease-carrying compounds, such as chemically de-odoured raw casein, whey powder, low grade skim milk powder and other milk solids were being mixed with artificial flavouring and sold freely as milk "blends".

There was not even a health inspection rule, he said.

The products were heavily subsidised by their countries of origin and undercut South African dairy producers.

As dairying represented a long-term investment, the industry could not cut production today under the impact of imports and then expand tomorrow when imports became expensive.

Next week the DCB will negotiate again with the Minister of Industries, Commerce and Tourism, Dr Dawie de Villiers.

U...

# Milk surplus is no big problem' <sup>3</sup> Dairy <sub>COM</sub>

By GERALD REILLY  
Pretoria Bureau

1383  
SOUTH AFRICA has a milk surplus at present but its size constitutes no serious problem, according to the Dairy Board.

At a Press conference in Pretoria yesterday the chairman of the board, Mr J N van Vuuren, said the surplus amounted to about 10 000 tons of powdered milk, the equivalent of 120 000 tons of fresh milk.

Probably because of the recession the demand for milk products had declined. There had been no marked consumer resistance because of price levels.

Mr Van Vuuren said milk production had begun to fall, probably because of the drought and the trend was expected to continue.

Main reasons for the current surplus were the down-

turn in the economy, uncontrolled import of milk solids and competition from substitutes on the traditional dairy market.

Stressing the unpredictability of milk supplies, Mr Van Vuuren said the current surplus had developed in only a few months.

Only last year there was a shortage of dairy products, and butter and skimmed milk powder had to be imported.

South Africa had experienced surpluses on only four occasions since 1958, the largest of them in 1978.

South African dairy product exports were out of the question, Mr Van Vuuren said.

Apart from the vast distances to creditworthy markets, South Africa's exports would have to compete with highly subsidised dairy products from countries which traditionally had surpluses.

3 Dairy  
Hansard Q. 61, 523-524  
Dairy products 7/3/83  
399. Mr. R. W. HARDINGHAM asked  
the Minister of Agriculture:

Whether further importations of dairy products into the Republic are envisaged for the 1983-'84 financial year; if so, (a) what dairy products will be imported and (b) (i) in what quantities, (ii) from where and (iii) at what cost will such dairy products be imported?

The MINISTER OF AGRICULTURE:

No.

(a) and (b) Fall away.

**Dairy products**

400. Mr. R. W. HARDINGHAM asked  
the Minister of Agriculture:

(a) What dairy products were imported into the Republic during the latest

MARCH 1983

52

specified period of 12 months for which figures are available, (b) what was the (i) cost and (ii) quantity of each of the imported products and (c) from what countries were the importations made?

The MINISTER OF AGRICULTURE:

(a) Butter, full cream milkpowder and skimmed milkpowder during the period of 1 March 1982 to 28 February 1983.

(b) (i) and (ii) Butter:  
R5 383 726—2 016 ton.  
Full cream milkpowder:  
R264 600—147 ton.  
Skimmed milkpowder:  
R1 764 570—1 347 ton.

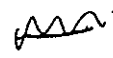
(c) Butter from Ireland, England and Holland.  
Full cream and skimmed milk powder were imported by agents of the Dairy Control Board and the countries of origin are not known.

③ Dairy  
③ Meat  
③ Wheat  
③  
Stu...  
Howard Q. Col. 657-  
Importation of dairy/meat/wheat products  
4/3/83  
508. Mr. D. J. N. MALCOMESS asked  
the Minister of Agriculture:

What was the value of the (a) dairy, (b) meat and (c) wheat products imported by the Republic during the latest specified period of 12 months for which figures are available?

The MINISTER OF AGRICULTURE:

- (a) R7 412 896 (1 March 1982 to 28 February 1983).
- (b) No permits were issued during the period 1 March 1982 to 28 February 1983.
- (c) R24 569 699 (1 October 1981 to 30 September 1982).



# Strikers fired after dispute

By ENRICO KEMP

EMPLOYEES at the Eastern Cape Agricultural Co-op Creamery in Queenstown have been dismissed after going on strike in protest against the management's refusal to recognize their union.

The employees, all members of the African Food and Canning Workers' Union, stopped work on Wednesday after the management informed an employees' committee that it would not recognize or deal with the union.

The manager of the creamery, Mr C A Botha, yesterday confirmed the dispute. He said 70 employees were involved and they had already been replaced.

The union's general secretary, Mr Jan Theron, said the dispute arose when the management told the committee to elect a liaison committee to represent the interests of the creamery's 200 employees.

The employees rejected representation through a liaison committee and all 200 stopped working on Wednesday. The creamery's management has

since refused to meet union officials to discuss the situation.

Approached for comment yesterday, Mr Botha said: "Seventy workers went on strike because they wanted us to recognize their union. We asked them to go back to work, but they refused

"They said they would not accept a liaison committee. I told them that they must go and work for their union in that case."

According to Mr Theron, the basic wage at the creamery is R29,10 a week. Higher paid workers with long-service earn up to R35 a week. He said employees complained that working conditions at the creamery were "bad".

"We fully support the workers. It is no coincidence that it is a company which pays such wages to its workers that will also not allow a union on to its premises.

"We demand the reinstatement of the workers and call on all persons and organizations, which are concerned for the future of the country, to support this demand," Mr Theron said.

# 70 sacked at East Cape creamery

ACGG 15/3/83

(3) ~~1/8~~ ~~1/8~~ ~~1/8~~

Labour Reporter  
WORKERS at the East Cape Agricultural Co-operative Creamery have been dismissed after downing tools in protest against a management refusal to recognise their union, the African Food and Canning Workers' Union.

this country" to support the demand of the workers to be represented by the union of their choice. The company, which manufactures butter and cheese, had told the workers to elect a liaison committee, but this they refused to do, he said.

## 200 WORKERS

A spokesman for the AFCWU's head office in Cape Town has called on "all persons and organisations which are concerned for the future of

"The workers' committee met the management on March 9 and were told that the management would have nothing to do with any union and that the workers should elect a liaison committee."

The AFCWU spokesman said that about 200 workers were involved in the dispute. Those with long service earned R35 a week, while the basic wage was about R29 a week.

"It is no coincidence that it is a company which pays such wages to its workers that will also not allow a union on its premises."

## "NO NEED"

Mr C A Botha, managing director of the co-operative, said he did not see the need to talk to a union.

"Only 70 people went on strike and eventually we asked them to leave. They had always been happy here before."

Mr Botha confirmed that the basic wage was R29 a week, but said workers with long service could earn up to R60.



9/4

Milk  
(3) Dairy  
powder  
Mercury  
import  
16/3/83  
racket

## 'possible'

### Pietermaritzburg Bureau

THE Dairy Board may ask the police to investigate a possible milk powder import racket, a spokesman for the board revealed yesterday.

The news coincides with a prediction by the board's chairman, Mr Jan van Vuuren, that 'modest increases' in the prices of all dairy products may be expected during the year.

However, a spokesman for the board, Mr Jaap de Bruyn, told the Mercury yesterday the possibility of price increases could not be directly linked to the discovery of the illegal imports, but to the need to keep dairy farmers in business.

He said the import of milk solids without the necessary permits had become evident after public consumption of dairy products appeared to drop in spite of recent surpluses.

If the racket were not stopped, South Africa would become dependent for a strategic product on the 'vagaries and whims' of the international market place and of international politics.

### Shortage

Mr de Bruyn declined to give details of the workings of the possible import racket, but said the board had a good idea of what was involved and had already spoken to the Department of Justice about it.

Referring to the possible rise in the price of dairy products, he said that with the elimination of illegal imports, and the drought, the current surplus could become a shortage this winter.

'Temporary surpluses such as the present one should not be allowed to negate the stimulation needed by producers to keep on producing for the long-term,' he said.

It was only a couple of months ago that South Africa was forced to import dairy products.

9/12/83  
091

Mr de Bruyn said the Dairy Board still had to meet before its recommendations on future prices could be sent to the Minister of Agriculture for approval, and it was impossible to predict the extent of any increase or the date on which it might be introduced.

# Cabinet pledge put to the test

Pretoria Bureau

THE Cabinet's commitment to an all-out fight against inflation will be put to the acid test during the next few weeks.

It will have to decide on the prices of dairy products and maize — foods which are basic to the diets of virtually the entire population, particularly the black population.

The Dairy Board met last week to study the recommendations for higher butter, cheese and fresh milk prices from the South African Agricultural Union's dairy committee.

And next week the Maize Board will meet to review yesterday's recommendation by the National Maize Producers' Organisation (Nampo) that the internal selling price of maize for the present season be increased by 25% to R195,16 a ton.

Nampo's recommendation has taken into account this year's negligible crop of 4 600 000 tons — less than half what is needed to meet local demand — and that many farmers are crippled financially by debts accumulated after two consecutive seasons of drought.

So far this year government-authorised price rises have been in excess of the inflation rate, currently 14,2%.

Railway and post office tariffs were raised by 15%, Escom power charges by 14,6%, and only the sugar price increase was "reasonable" at 7½%.

Yesterday a 4,5% increase in new tyre prices was announced.

Mr Alex Hawes, chairman of the National Tyre Dealers and Retreaders Association, said the recession had exerted tremendous cost pressures on manufacturers — and the plants were to be commended for passing on only a fraction of the costs to the consumer.

# Butter, cheese prices slashed

(3) Dairy  
Mercury  
19/3/83

Pietermaritzburg Bureau

THE Dairy Board is offering 2 500 tons of cut-price butter and cheese to the public in a drive to reduce a nationwide surplus, the board's general manager, Mr E Roux, announced yesterday.

From Monday, 30 c a kilogram will be trimmed off the price of butter, gouda and cheddar — a saving of between 7 and 9 percent.

The new price of butter will be R3,38/kg, while gouda will cost R3,99 and cheddar R3,94.

The move by the Dairy Board comes in the wake of drastic reductions earlier this week in the price of margarine.

Mr Roux also referred to 'considerable quantities' of imported milk powder which had flooded the South African market 'as a result of loopholes in the Act'.

He did not enlarge on which Act he was referring to, how much powder had come into the country or what was being done to rectify the stockpile.

The result, however, was that the local products had sold more slowly — which meant more milk had been used for cheese and butter production.

Mr Roux said the offer would be limited to 2 500 tons in order to prevent the present surplus from becoming a shortage in the face of unpredictable drought conditions.

## Smuggled

Sapa reports that at least one large supermarket chain has promised to take another 30 c off the price of cheddar and gouda cheese, bringing the price down to R3,69/kg.

Mercury investigations into rumours that milk powder from Europe and the U.S., sent as food-aid to black states bordering on South Africa, was being smuggled into the country by profiteers, have drawn a blank.

Officials and independent sources in Swaziland, which was named as one of the states concerned, rejected the allegations unanimously.

A spokesman for the U.S. embassy in Mbabane said his country exported no milk powder to Swaziland, while the head of the European Economic Community's food-aid programme said their first ever shipment of milk powder was due to arrive there only in eight to 10 weeks.

Swazi government sources said they had to account in detail for food-aid.

(b)

Industry	Number of contracts registered	Whites	Coloureds	Asians
Aerospace	118	—	—	—
Automobile	71	48	—	5
Building	366	593	137	—
Coating	80	1	15	—
Diamond cutting	3	—	—	—
Electricity supply	192	3	—	—
Explosives and allied industries	83	4	—	—
Furniture	20	75	17	—
Government undertakings	292	72	2	—
Hairdressing	301	25	3	—
Jewellers and goldsmiths	12	14	—	—
Local Authority undertaking (Northern-Transvaal)	64	—	—	—
Metal	3 894	807	426	—
Mining	1 577	22	2	—
Motor	1 567	386	178	—
Printing	332	147	42	—
S. A. Transport Services	1 640	—	4	—
Sugar manufacturing and refining	28	13	32	—
Tyre and rubber	19	9	2	—

552. Mrs. H. SUZMAN asked the Minister of Justice:

- (1) Whether any notices in terms of (a) section 5(1)(e) and (b) section 9(1) of the Internal Security Act, No. 44 of 1950, (i) were issued, (ii) were withdrawn and (iii) expired in 1982; if so, how many in each case;
- (2) whether any notices which expired were renewed; if so, how many;
- (3) how many notices in terms of each of these sections were of effect as at 31 December 1982?

The MINISTER OF JUSTICE:

The information furnished in (1) and (2) below is in respect of the period 1 January 1982 to 1 July 1982.

- (1) (a) (i) No.
- (ii) No.
- (iii) No.

569. Mr. B. W. R. PACIF asked the Minister of Environment Affairs and Fisheries:

- (1) How many permits for the discharge of factories of industrial effluent into rivers or the sea were issued by his Department during the latest specified period of 10 years for which figures are available;
- (2) (a) how many complaints in respect of such discharge were received by his Department from (i) the public and (ii) interested parties during such period; (b) how many such complaints were investigated by his Department and (c) in respect of how many investigations was the complaint found to be justified;
- (3) (a) in respect of how many such complaints were (i) charges laid and (ii) prosecutions brought during the above-mentioned period and (b) how many such prosecutions were successful?

The MINISTER OF ENVIRONMENT AFFAIRS AND FISHERIES:

- (1) 295 Permits were issued in terms of section 21(5) of the Water Act, 1956 (Act 54 of 1956), for the ten year period ending 31 March 1982.
- (2) (a) (i) and (ii) and (b) In total 60 complaints had been received, all of which were investigated; (c) 27.
- (3) (a) (i) and (ii) 27.
- (b) 9.

The MINISTER OF INTERNAL AFFAIRS:

- (1) Whether any new teacher training institutions for (a) Coloureds and (b) Indians were established by his Department in 1982; if so, (i) where and

(ii) how many students were enrolled in each institution.

- (2) what was the total number of students enrolled in teacher training institutions for (a) Coloureds and (b) Indians in the Republic as at 1 March 1982?

The MINISTER OF INTERNAL AFFAIRS:

- (1) (a) and (b) No (i) and (ii) Full answer
- (2) (a) 4 061
- (b) 2 523

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

- What were the gross proceeds from South African exports of deciduous fruit in respect of the latest specified year for which figures are available

The MINISTER OF AGRICULTURE:

1981-'82: R364,0 million

- (a) What agricultural products which were sold to the consumer were subsidized in the 1981-'82 financial year and (b) what was the amount of the subsidy?

The MINISTER OF AGRICULTURE:

- (a) Maize, butter and standard bread as well as brown bread meal and whole wheat meal in packages of 5 kg and less

(b)

	1981-'82
Maize	R82 950 000
Butter	R3 210 000
Bread and meal in small packets	R181 960 000

(b)

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Bread and meal in small packets	R181 960 000

# PE may run close second to EL for highest milk prices

5/4/83

3 Dairy

S. Post

By CLAIRE  
PICKARD-CAMBRIDGE

THE price of fresh milk in East London is the highest in the country, and from the beginning of May, Port Elizabeth could be running a close second.

This was revealed in a comparison of milk prices in the main centres of the country.

The price of fresh milk in Port Elizabeth is expected to increase by 6c a litre, representing a 7c increase with GST, from the beginning of May, according to Mr Fred Botha, the general manager of United Dairies in Port Elizabeth.

He said a litre of fresh milk delivered would cost 65c, including tax, and the recommended retail price would be 71c a litre.

"The price is now 58c a litre with tax on home deliveries, and the recom-

mended retail price is 65c in Port Elizabeth," he said.

A spokesman for East London's Model Dairy said home-delivered milk on a cash basis cost 65c a litre since the 7c milk price increase in the region last month.

"The recommended retail price is now 74c with tax," he said.

Mr Botha said the current price of milk in Port Elizabeth did not differ much from the rest of the country, although this area had been decontrolled by the Dairy Board on June 30 last year.

"The East London area isn't controlled by the Dairy Board either," he said.

Milk prices for the rest of the country were supplied by the Deputy General Manager of the Dairy Board in Pretoria, Mr W J Nutt.

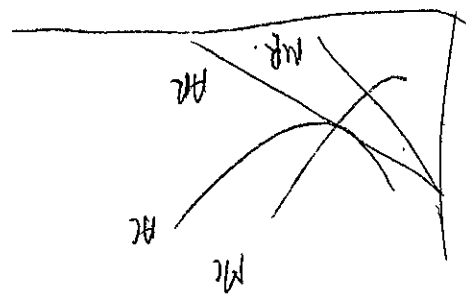
He said there was no finality about future price increases in the rest of the country because these would only be decided later this month.

He stated that in the Witwatersrand and Pretoria region, fresh home-delivered milk cost 58c a litre with tax, and the recommended retail price was 66c.

In Bloemfontein home deliveries cost 56c and the retail price was 64c with tax.

In Natal home deliveries cost 59c and the retail price was 64c with tax. In the Cape Peninsula 55c was charged for home deliveries. The retail price was 64c a litre, including tax.

This means that milk prices in the Cape Peninsula region are at present the lowest in the country. This was confirmed by Mr Botha.



# Maize and dairy prices set to rise

By GERALD REILLY  
Pretoria Bureau

CONSUMERS can brace themselves for big increases in the price of maize and dairy products next month, say Pretoria sources.

After the worst drought in living memory the 1982/83 maize harvest will not reach 5-million tons — against a local demand for about 6 500 000 tons.

The small crop, and the fact that thousands of farmers are in serious financial difficulties, will influence the extent of the price rise.

The National Maize Producers' Organisation (Nampo) has asked the government for an increase of 25% — far less, Nampo claims, than is justified by the economics of maize growing.

The increase for dairy producers would push the milk price to 61c/l in the PWV area, sources said.

In the Port Elizabeth and East London areas the price has been increased by 7c/l — from 58c to 65c. There is no control on dairy products in the two areas.

Economists said yesterday the poorer section of the population would again be hardest hit as they spent a greater percentage of their income on food than most whites, and a big proportion of the percentage went on maize meal and milk.

The price rises will also boost

inflation.

Food prices — mostly because of the severe drought — are expected to continue to rise during the winter months.

In Durban, the Department of Agriculture has released a shock report predicting massive crop failures in Natal with a total write-off in some areas because of the drought, and gloomy prospects for winter, reports Sapa.

At the same time farmers are experiencing crop damage from monkeys because of a lack of their natural food, army worms have appeared in the Mkuze and Hluhluwe areas, and sugar cane has been struck by Mosaic, particularly in the higher-lying areas.

If no rain falls soon, citrus-packing sheds will close as crops are expected to be 66% lower than average, while dairy farmers in particular have been hard hit.

Grain yields in Vryheid, Ngotshe and Paulpietersburg are expected to be only 10% with most farmers turning their ruined crops into silage.

The potato crop at Utrecht and Newcastle is expected to be only one-third of normal, while in southern Natal serious problems are being felt in vegetable production, particularly along the Ixopo River.

Mount Currie farmers expect the maize crop to be a total write-off. In Dundee, the maize yield should be

slightly better than last year, when it was also severely affected by drought, while in Kluiver and Bergville maize yields are expected to vary between 10% and 50% of normal.

The Tala Valley and Camperdown vegetable production areas of the midlands have been limited to 10 hours' irrigation a week, so crops are suffering badly and yields will be cut to a quarter.

Potato producers at Winterton have had severe crop damage from scorching Umvoti and Kranskop cabbage-producers have established only very small areas because of a lack of water.

Midlands maize producers expect crop losses of up to 50% of the average.

Winter pastures and crops have been planted, but unless good rains fall soon these too, will be drastically hit.

The seed maize crop in the Umvoti and Kranskop areas is expected to be halved, while in the coastal sub-region both the quantity and quality of vegetable production has been severely cut.

The coastal sugar cane crop has also been hit, and the cotton crop has suffered badly.

"The general situation in the southern sub-region is entirely dependent on immediate heavy rains. Unless these fall, the entire area will have critical conditions with very bleak prospects for the coming winter," the Government report said.

~~2/14~~  
~~2/14~~  
3) Dairy

# Consumer groups criticise milk price increases

By IAN SMIT

THE increase in the price of fresh milk by 6c a litre from May 1, has been described as a "sad, but unavoidable decision" by the chairman of the Port Elizabeth Consumer Association, Mrs Jean Brittain.

United Dairies, the sole distributors of fresh milk in the Port Elizabeth area, also announced that the price of other milk products, such as yoghurt, would rise accordingly.

This means that a litre of fresh milk will cost the consumer 61c delivered to his home, excluding general sales tax.

Mrs Brittain said she appreciated the tremendous strain under which farmers were currently operating, and that a price increase of milk products would help in easing the difficult situation they were in.

"However, it's sure to be a shattering blow for peo-

ple in the lower income bracket," she said.

"One wonders whether the selling of powder milk at lower prices would not be a solution to the problem."

The increase has also drawn sharp criticism from the chairman of the Housewife's League, Mrs Jackie Smith, who said the only means of counter-attacking such price increases was through consumer resistance.

Mrs Smith said the root of the problem was that there was no competition for United Dairies in the PE area.

"This leads to a tendency of monopolising the price of dairy products, which means that there is little control over the price of milk."

Mrs Smith said more people would not be able to buy basic foodstuff such as milk because of the spiralling prices.

3 Dairy Hansard  
Milk: producer's price  
19/5/83 Q Col. 1325-1326  
868. Mr P. A. MYBURGH asked the  
Minister of Agriculture:

- (a) What was the producers' price of (i) fresh milk and (ii) industrial milk as at 1 June 1982 and (b) what price increases have come into effect in respect of each category since that date?

The MINISTER OF AGRICULTURE:

(a) (i)

	Cents per litre
Transvaal area . . . . .	33,00
Western Transvaal area . . . . .	32,50
Bloemfontein area . . . . .	32,00
Cape Peninsula area . . . . .	32,50
Natal area . . . . .	32,50
Northern Natal area . . . . .	32,50

(ii) 1 965c/100 kg for industrial milk

with a butter fat content of 3,5%.

- (b) Fresh milk: 3,85 cent per litre from 1 July 1982.  
Industrial milk: 328 cents per 100 kg for milk with a 3,5% butter fat content, with effect from 1 July 1982



# Dairy product prices expected to rise by 10pc

Mercury Correspondent *Henry*

PRETORIA—The Cabinet's commitment to fight inflation means that this year administered price rises will be kept below the inflation rate, according to Pretoria sources.

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**JUVENTUS BEATEN**  
 Athens—West Germany's Hamburg beat Juventus of Italy 1-0 (halftime 1-0) in the European champions' soccer cup final here last night. Scorer: Felix Magath (8th minute). — (Sapa-Keuter)

**Water thieves**

And this is borne out so far this year by the producer maize price increase of 9,6 percent; the oil seed price rises which ranged between 5,8 percent and 12,2 percent; and the sugar price rise of just over 7 percent.

The Cabinet is expected to agree on an increase in the prices of dairy products at its meeting in Cape Town on June 7.

Although producers have asked for a solid increase in the region of 15 percent they are unlikely to be granted more than 10 percent, it was learned.

However, when the higher-priced milk reaches the consumer, and distribution costs and retail mark ups are added, the increase could escalate to at least the inflation rate of just under 13 percent.

The chairman of the national dairy committee of the S A Agricultural Union, Dr Louis Therou, said after a meeting in Pretoria yesterday that dairy farmers would face huge problems if the price were not adjusted soon.

**Meaties**

## Liege, the Comrades Legend



Mercury Reporter

WHEN 74-year-old Liege Bouille winds his way up Field's Hill, pads past Inchanga, Cato Ridge, up Polly Shorts, and runs into Pietermaritzburg next week, it will be to collect his 39th medal for what is regarded as the most arduous road race on earth.

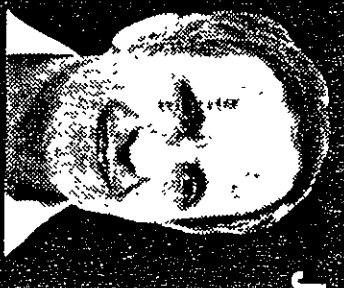
For this 'grand old man of the Comrades', the challenge and exhilaration of the marathon is everything.

'What else would I do. I can't let myself get creaky like an old gate,' Mr Bouille, who still runs to work at a furnishing firm in Johannesburg every morning, began his distinguished athletic career in Durban in 1929.

In 1933 he ran his first Comrades. In the 1936 race he finished third, and 'about 17 years later' he picked up his second gold for finishing sixth. In 1940 and 1947 he ran to win, but said his seconds let him down and he 'blew out'.

Mr Bouille has never considered missing the race. But in 1975 the 0...

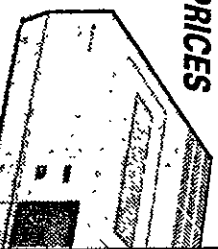
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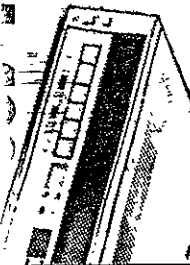
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# expected to rise by

Mercury Correspondent *Mercury* 244

## Liege, the Comrades

PRETORIA—The Cabinet's commitment to fight inflation means that this year administered price rises will be kept below the inflation rate, according to Pretoria sources.

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## Water thieves at work in city

Pietermaritzburg Bureau

HOUSEHOLDERS in Pietermaritzburg have been warned to be on the lookout for sneak thieves who are helping themselves to water from garden taps.

A spokesman for the City Engineer's department said they had received a number of complaints from consumers who believed their water was being stolen.

One caller, who monitors his water consumption regularly, was 'most perturbed' to find that it had shot up to 4 000 litres almost overnight, the spokesman said.

Similar incidents have been reported in Newcastle.

He said a charge of theft had been laid against the driver of a vehicle who allegedly made off with a quantity of water from the grounds of Maritzburg College.

And this is borne out so far this year by the producer maize price increase of 9,8 percent; the oil seed price rises which ranged between 5,8 percent and 12,2 percent; and the sugar price rise of just over 7 percent.

The Cabinet is expected to agree on an increase in the prices of dairy products at its meeting in Cape Town on June 7.

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However, when the higher-priced milk reaches the consumer, and distribution costs and retail mark ups are added, the increase could escalate to at least the inflation rate of just under 13 percent.

The chairman of the national dairy committee of the SA Agricultural Union, Dr Louis Theron, said after a meeting in Pretoria yesterday that dairy farmers would face huge problems if the price were not adjusted soon.

### Mealies

Dairy farmers had to accept the big additional cost of mealies. He pointed out that the increase of nearly 10 percent to the producer could end up in a 25 percent increase in the price of concentrates.

The maize price increase, when it reached the consumer, represented a hike in the mealie meal price of between 11 and 12 percent, according to a Checkers spokesman.

The Government in its approach to food price rises, according to a Government source in Pretoria, was sensitive to the fact that there were hundreds of thousands of black unemployed who were struggling to survive.

There was also a basic fear that if hunger were allowed to intensify and spread further, this could destabilise black townships.

"In April food prices rose by only 0,3 percent — one of the smallest increases for months. But drought, it was pointed out, had taken a heavy toll of production and this would maintain pressure on prices."



Liege Boule, 74, running for his 39th med.

# BEARS KNOCK DOWN

③ Dairy Hammond  
Butter/cheese 3/6/83  
Q. 601,459 - 1460  
\*12. Mr. E. K. MOORCROFT asked the  
Minister of Agriculture:

- (1) What quantity of (a) butter and (b) cheese was in stock at the latest specified date for which figures are available;
- (2) whether these quantities represent a surplus or a shortage;
- (3) whether he will make a statement on the matter?

The MINISTER OF AGRICULTURE:

(Particulars as at 31 March 1983).

- (1) (a) 5 780 tons.  
(b) 13 325 tons.
- (2) A surplus of 2 000 tons of butter and 3 000 tons of cheese.

JUNE 1983

1460

- (3) No statement on this matter is considered. According to the Dairy Board, the industry now enters a lower production phase

# Food glut price shock

W/E ARGUS 4/6/83  
3 Dairy  
Weekend Argus Correspondent the fifth increase in the last year.

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 —

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.

# Big leap in dairy prices

By GERALD REILLY  
Pretoria Bureau

7/6/83  
THE Cabinet is expected to approve an increase in the prices of dairy products at its meeting in Cape Town today; according to Pretoria sources.

And in line with government policy to keep administered price rises below the inflation rate the rise is not expected to exceed 10%.

Farmers submitted their demand for a price adjustment in January and asked for increases in fresh and industrial milk prices of between 15 and 20 per cent.

However maize (9,6 per cent), oil seed (below 10 per cent) and sugar (7,6 per cent) producers were granted substantially less than they asked for and, according to Pretoria sources, dairy farmers can expect the same treatment.

Consumers are in for another price increase shock when canned jam, fruit and vegetable prices rise by an average of 5,6% from July 11.

Dr Johan Mouton, general manager of South Africa's biggest canning concern, Langeberg Co-operative, announced the increases yesterday.

Most canned fruit, vegetables and jams, tomato sauce and pickles in the Koo Range are affected by the latest increase.

The price of jams will increase by 4,8%, fruit by 3,4%, and vegetables by 6,8%

*Handwritten notes:*  
a lot of vegetables  
→ can always  
be found

*Handwritten:* b5

3 Dairy WDM 1/16/53  
**Milk offer unacceptable**

By GERALD REILLY  
Pretoria Bureau

THE Government's milk price increase offer made after this week's Cabinet meeting was unacceptable to the dairy industry, according to Pretoria sources.

And yesterday the chairman of the Dairy Board, Mr. Jan Van Vuuren, and the secretary of the SA Agricultural Union's dairy committee, Mr. J. Liebenberg, flew to Cape Town for urgent dis-

cussions with the Minister of Agriculture, Mr. Greyling Wentzel.

The Government has angered milk farmers by the "deliberate" delay in announcing the price.

The Minister undertook to make an announcement early in the year following representations from the Dairy Board for increases in fresh and industrial milk between 15% and 20%.

Yesterday Mr. Van Vuuren warned of a nation-wide shortage of fresh milk.

# Milk price increase 'justified'

*CAPE TIMES 17/6/83*

Staff Reporter

PRODUCER milk price increases announced by the Dairy Board yesterday were "justified", according to Mrs Sheila Baillie, chairman of the Cape Town branch of the Housewives' League of South Africa.

With a four cents a litre increase in the producer price of milk in the Western Cape, home-delivered milk is expected to increase by about seven cents to 62 cents a litre (tax inclusive) on the token-delivery system and to 63 cents a litre on the cash-on-delivery system.

The price of milk in cafes, currently 60 cents a litre without tax, has not been fixed yet.

"Of course the increase is quite shattering — we get boxed from every side — but the producers' costs have risen substantially this year and the increase is justified," Mrs Baillie said.

"Having been to a meeting of milk produc-

ers, one realizes what they are up against."

Mrs Baillie does not believe that the scrapping of milk price control will lead to retailers charging exorbitant prices.

"It won't be in their interests to go through the roof. If they do, the consumer won't buy. An advantage of scrapping price control is that it may become possible for producers to take milk direct to the townships at lower prices."

Mr W J Nutt, deputy general manager of the Dairy Board, confirmed yesterday that the producer price of milk in other controlled areas had been increased by three cents a litre from July 1.

He also confirmed that the price of butter and cheese would increase by about 11 per cent on July 1.

While these prices will be valid from July 1, Mr Jan van Vuuren, chairman of the Dairy Board, expects that leading retailers and supermarkets will continue to make butter and cheese available from existing stocks at the old prices for an appreciable period.

# Thatcher 'likes bo'

LONDON. — The Conservative British Prime Minister, Mrs Margaret Thatcher, 57, likes it when men find her sexy but is "far too entrenched in her Victorian morality ever to admit it", a new biography says.

"The men she likes are strong, bold and intelligent, and these are the ones who flirt with her," biographer Penny Junor writes in "Margaret

Thatcher — Woman: Mother: Politician".

"She responds with charm, providing it is in appropriate circumstances and not when she has come to talk business," according to the biography, extracts of which were published in a British newspaper yesterday.

Mrs Thatcher and her husband Denis, 68, were married in 1951.

Fellow Conservative

politician M Neave, killed in a bomb attack before the May election which finished her to power, described as Thatcher's greatest sets.

Mr Neave had bid for leadership in opposition.

Miss Junor's relations with the



This car was jammed under the back of a bus in Somerset about 10am yesterday. The driver of the car was trapped.

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## Slabbert divorced

Supreme Court Reporter

THE Leader of the Opposition, Dr Van Zyl Slabbert, and his wife Mrs Mana Slabbert, were divorced in the Supreme Court this week.

They had been married for 18 years and have two children, Jania, 16, and Riko, 12.

## the facts

IT was incorrectly stated in the caption of a photograph which appeared in the Cape Times on June 1 that Mrs Pauline Skele was searching for her baby daughter who was stolen from her on March 31 during a West Cape Administration Board raid on the KTC squat-camp.

A spokesman for the WCAB has pointed out that the child was stolen from Mrs Skele on March 1 and that the

# Officer tells court why i slashed wrist

*CAPE TIMES 17/6/83*

From ANDRE VILJOEN

HARARE. — A white Zimbabwean Air Force officer, who slashed his wrist in a police cell, left a message in his own blood as a sign that he was not guilty of sabotage, the High Court

lost about 250 500ml of blood taken to hospital.

At the beginning of the torture he pleaded his innocence but eventually he confessed.

## M & H FACTORY SHOPS

KIDDIES' CORDUROY DUNGAREES ONLY

KIDDIES' GOLD TRIMMED DRESSES

GIRLS' DRESSES FROM

# Milk price control goes, dairy prices set to rise

17/6/83  
Dairy by GERALD REILLY RDM  
Pretoria Bureau

SUBSTANTIAL increases in dairy product prices from July 1 — milk is to rise by 5½c a litre — were announced by the chairman of the Dairy Board, Mr Jan van Vuuren, in Pretoria yesterday. He also announced that control on the consumer price of fresh milk is to be lifted.

However the manufacturers' representatives on the board, Mr Japie Dreyer, said the SA Milk Distributors Union had given the Minister of Agriculture, Mr Greyling Wentzel, an assurance that the price would not be allowed to run wild, and that the 5½c a litre increase would apply generally.

Members of the union are responsible for the distribution of the vast bulk of the country's milk. Distributors have been granted a 2½c a litre increase.

Mr Van Vuuren said in spite of the abolition of control the consumer milk price would rise by no more than 10%. He gave an assurance that if the abolition of control was abused in a way that led to consumer exploitation the board would immediately apply to the Minister for the reinstatement of control.

The consumer price of standard packed butter will also be raised — by 10,9% or 40c/kg, Cheddar and Gouda cheese by 10,8% or 46c/kg. The prices of Cheddar before tax will rise from R4,24/kg to R4,70, and of Gouda from R4,29 to R4,75.

Although the distributors will only meet next week to determine exact milk prices the price of a litre of milk delivered is likely to

rise from 57½c to about 63c. In cafes the price should not exceed 72c — it is now 66c. Butter will rise from R3,68/kg to R4,08 without tax.

The producer price of fresh milk will rise by 3c/kg, or 8,3%, and of industrial milk by 9,4% or R2,27 a 100 kg.

Two cents of the 3c increase for fresh milk producers, and R1,51 a 100kg of the industrial milk producers increase will be paid into the Board's Stabilisation Fund.

The National Dairy Committee of the SA Agricultural Union said last night it found the latest dairy price increases "difficult to swallow" and that dairy farmers were entitled to a far greater increase.

The Dairy Board could not have picked a worse time to put up the price of dairy products or to remove the price control on milk said Mrs Joy Hurwitz, chairman of the Housewives' League, yesterday.

She said the economic recession, the high unemployment level and the worst drought in South Africa's history would combine to put dairy products out of reach of those who needed them most, combined with the danger that many would turn to non-dairy creamers and whiteners which did not have the nutritive value of fresh milk.

Mrs Hurwitz said she had every sympathy for the efficient and hard-working dairy farmer but was concerned to hear that only a third of the Board's increase in the producers' price was going to farmers.

The balance went into the Board's Stabilisation Fund which was partly used to subsidise the price of milk powder to the ice cream industry at the rate of R1/kg, she said.



Illegal <sup>7/6/83</sup>  
imports  
cause <sup>(3) Dairy</sup>  
glut & loss

JOHANNESBURG — Il-  
legal milk powder imports  
have contributed largely to  
surpluses on the South Afri-  
can market.

The SABC news agricul-  
tural reporter, quoting  
spokesmen in the dairy in-  
dustry, said up to 6 000 of  
the estimated 12 000 tons of  
milk powder in South  
Africa reached the country  
illegally.

A spokesman for the  
Dairy Board said importers  
were presumably evading  
the permit system of the  
Department of Industries,  
Commerce and Tourism by  
adding 60% steriliser to  
milk powder.

In this way, milk powder  
entered the country as ice  
cream powder, for which  
no permit was required. It  
was then marketed in South  
Africa as milk powder.

The spokesman said the  
imported milk powder was  
sometimes of very low  
quality.

Talks had begun with the  
Department of Industries,  
Commerce and Tourism on  
the introduction of stricter  
control over the importa-  
tion of dairy products. —  
Sapa

Jan 17/68 (3) Dairy

# Probe into dairy imports is sought

By Colleen Ryan,  
Consumer Reporter

The Consumer Council has called for an investigation into allegations that importers are circumventing regulations and bringing cheap milk products into the country when there is already a large surplus of locally produced milk.

Mr Bernard Hellberg, assistant director of the Consumer Council, said today that South African milk producers were facing a difficult future.

The Dairy Board yesterday announced that the producer price of milk would increase by 3 c a litre in July. The farmers will receive only 1 c of this increase — the balance will be paid into the Dairy Board's stabilisation fund.

The stabilisation fund will bring in an estimated R30 million over the next 12 months and the board will use it to buy up surplus milk products and promote the consumption of dairy prod-

ucts, said a spokesman for the Dairy Board, Mr Jaap de Bruyn.

Dairy farmers are furious that importers have been permitted to bring in thousands of tons of milk powder from overseas.

An estimated 6 000 tons of milk powder had been imported or smuggled into the country and this was aggravating the surplus problem, said Mr de Bruyn.

The board has called on the Department of Industries, Commerce and Tourism to tighten up import regulations.

The Housewives' League has condemned the increase of about 5,5 c in the consumer price of milk.

"In the face of an enormous surplus, consumers are expected to accept this increase when 2 c is going into the stabilisation fund and 2,5 c to the distributor," said Mrs Joy Hurwitz, president of the league, in a statement released today.

# Farmers warn of milk shortage

*(3) Dairy Mercury*

*18/6/83*

Mercury Reporter

**DAIRY farmers throughout Natal were seething yesterday, claiming they could each expect to lose R10 000 this year because of inadequate milk price increases granted by the Government, and they forecast a milk shortage soon.**

Already increased feed costs and expected increases in other costs later in the year would mean that recently announced increases effectively gave farmers 1 c a litre more, accord-

ing to Mr Derek Broom, an Ixopo dairy farmer and agricultural consultant for 40 farmers in the area.

Commenting on the increase in dairy product prices on July 1, he said: 'I think the whole situation is despicable.'

'I run computerised data on all the farms and have comprehensive figures on all of them. The average milk price received over the past year by a farmer is 33,36 c a litre and the net return is 3,12 c a litre.'

'The income received from stock sales, converted to a litre basis, is 4,19 c, while sundry incomes at 0,15 c resulted in a total income of 37,55 c.'

'The total average cost was 34,43 c a litre,' he explained.

'However, based on a 15-percent increase in the cost of meal and other items, costs on average will rise to 39,59 c a litre'

and the total income will only be 38,55 c.

'The farmer ends up with a 1 c increase because 2 c are taken back by the board and used to subsidise import losses.'

'This bungle will result in an unnecessary and uncalled for fresh milk shortage,' said Mr Broom.

A dairy farmer in the Ladysmith area, Mr Hylton Green, said yesterday the increase farmers would get fell short of the production costs they faced.

## Board's claim

The Dairy Board claimed the scrapping of price control on milk and certain dairy products was the result of a lack of independent information about the industry.

Mr Jaap de Bruyn, public relations officer for the board, said yesterday it had been prevented from undertaking a cost survey on the industry and felt it could no longer continue to make recommendations on prices without the necessary statistics.

'We were working from figures given to us by the distributors and had no independent figures to decide whether or not their claims were justified.'

'We felt we could not be expected to make deci-

TURN TO PAGE 2

## 3 Farmers warn of milk shortage

FROM PAGE 1

sions with the information available to us, so we asked the Government to lift price control,' he said.

However, he pointed out that control would be reinstated if prices increased excessively.

Mr de Bruyn said the board had endured criticism from consumer bodies and distributors about the setting of prices.

The move could also be seen in terms of the Government's policy to move in the direction of free enterprise, he said.

Mr de Bruyn said the consumer price was composed of the producer price and the distributor's margin.

Dairies had recently complained their margins were too small and distribution costs were rising, especially for home deliveries.

The Government had rejected the board's recommendations for price

adjustments on the grounds that the cost statistics had not been independently obtained.

Mr Gerrie de Jong, a former MP and Howick farmer, demanded that the board resign for what he termed, putting farmers at the mercy of middle-men and cafe owners.

An angry Mr de Jong said yesterday he thought the board had 'lost their marbles'.

Milk bottling companies and shops could now charge what they liked for milk while farmers were limited to the 3 c / increase for the next year.

But only one third of this went into the farmer's pocket — an increase to his income of just 3 percent in the face of production costs which had risen by 25 percent in the past year.

This meant farmers, who were 'locked in' to a fixed income from milk were expected to substi-

## shortage

*1/6/83*  
dise distributors who could charge what they liked.

In addition, when the current record surpluses disappeared, as they were bound to do because farmers had been unable to stock up with winter feed, the consumer would be 'taken to the cleaners by the middle-men'.

Mr de Jong said most of his friends had said they were in favour of calling on the Dairy Board to resign.

He predicted that the 5.5 c / increase in the consumer price of fresh milk forecast by the board was likely to be closer to 10 c in cafes.

ADITH  
CHRISTIE  
KEVIN  
MARE  
EMERSON  
CONCERNED

# Health men in milk

*3* *Benjamine*

THE Government is waging an all-out battle to contain antibiotic and pesticide contamination of dairy products throughout the country.

Since last year — when the situation was described as “disquieting” and widespread by the Department of Health — the threat has receded and officials claim they are now on top of the problem.

Of particular concern to the State health services has been a regular presence in milk test samples of the pesticide Dieldrin — banned in South Africa five years ago but apparently illegally sold and used by farmers.

## Worse

Although the incidence of pesticide residue in milk is low — Health Department officials scoff at suggestions that it has ever reached life-endangering levels — nutritionists have warned that some pesticides have an accumulative effect.

The increasing presence of residues above the legal limit in milk first became noticeable about three years ago. The situation was worsened by the drought, as farmers used up old stocks of fodder,

ment on the analysis of milk and other foodstuffs affected by the contamination.

By a process of elimination the department has begun zeroing in on the areas from which contaminated milk is coming and have warned farmers to change their pesticide and antibiotic practices or prosecution.

This week, Dr G J van Rooyen, of the Department of Health and Welfare, said the programme was paying off and the incidence of contamination was dropping.

## Concern

“This is an ongoing programme. We did regard it as serious last year but samples show a drop in contamination”.

Official department sources claim reductions of 40 percent have been achieved so far during the programme, with current tests being as little as four “positives” in a sample of 270.

The first public inkings of concern came last year when Mr Greyling Wernitzel, Minister of Agriculture, admitted that contamination of milk by residue pesticides and antibiotics was causing grave concern.

# peril fight

ment of Agriculture to monitor the problem.

Thousands of rands have been spent on an educational programme aimed at farmers, doctors, pharmacists, dentists and veterinary surgeons. Brochures, farming journals and the radio have all been used by the Government to warn farmers of the dangers of uncontrolled use of pesticides.

The department has also held talks with the South African Agricultural Union, the Dairy Control Board, the SA Dairy Products Manufacturers Association and the SA Milk Distributors Union.

In the last year between R150 000 and R200 000 has been spent by the depart-

By BRIAN POTTINGER

some of which had been treated with the then legal Dieldrin.

Test samples of milk taken from milk tankers in the country turned up an alarming incidence of antibiotic and pesticide residues above the legal limit. Traces of illegal substances were also found.

## Talks held

In a bid to contain the contamination the Government has set up two committees in the Department of Health and Welfare and the Depart-

*Good*  
*14*

# Milk to cost 10c more a litre — cafe owners

20/6/83 (3) Dairy ~~344~~ RDM

By HELENE ZAMPETAKIS

A LITRE of milk is likely to cost you 76c at your corner cafe from July 1 — 10c more than the old price, and 18,5c more than the new current delivery price.

The price of a delivered litre of milk will rise from 57,5c to 63c.

Mr Demosthenes Michos, chairman of the Tearoom Restaurant Proprietors and Caterers Association, said yesterday that cafe owners planned to mark milk prices up by 15% — which would give them a 4% increase in their profit margin.

After the last price rise, cafe owners had marked milk up by 11%, but "people

can't expect us to make a living on these prices," Mr Michos said, pointing to refrigeration, service and other overhead costs.

Last week, the chairman of the Dairy Board, Mr Jan van Vuuren, announced that milk prices should increase by no more than 10%.

He said cafe owners were no longer subject to retail price tariffs laid down by the Dairy Board, and that the cafe owners were reportedly threatening to raise the price of milk by as much as 14c.

Responding to these comments, Mr Michos said cafe owners had, in the past, abided by prices suggested by the association.

Cafe owners were fully conscious of

the fact that milk was a staple diet, but until now, they had been making a very narrow profit margin on the sale of milk.

The association was waiting for the results of a meeting today of the South African Milk Distributors to decide at what level the wholesale price of milk would be set on July 1.

"We can then fix our prices per litre and half litre. But cafe owners won't go berserk and charge the public exorbitant prices," Mr Michos said.

"We can't enforce our suggested prices, but we send out circulars to our 3 000 members and we find that cafe owners charge these prices."

# My firm imported milk powder, Dairy Board man admits

*Control Board* *(3) Dairy*  
*Star 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.

# Milk ~~price~~ price <sup>(3) Dairy</sup> rise of 10 <sup>Mercury</sup> pc <sup>24/6/83</sup> expected

## Mercury Reporter

CONSUMERS in Durban and Pietermaritzburg face a 10 percent increase in the price of milk when price control is abolished.

The regional manager for Clover Dairy in Durban, Mr Ian Baxter, said yesterday price control would be abolished from July 1.

The wholesale price would be raised by 5.5c a litre.

He said the present wholesale price of a litre was 55c, but from July the price to the trade would be 60.5c.

Mr Baxter said Clover would recommend to cafe owners that they sell milk to the consumer at 66c before tax.

## Profit

At present the controlled price to consumers is 60c.

Mr Baxter said that at present cafe owners were making a profit of 5c on every litre. By selling it at 66c from the beginning of July they would make a profit of 5.5c.

He added: 'We have been encouraged by reports in the media that many cafe owners in Durban and Pietermaritzburg intend sticking to the recommended price.'

The present price of home-delivered milk in glass bottles was 59c a litre after tax.

But the new after-tax price would jump to 65c — a 10.2 percent increase.

Mr Baxter said: 'On average we have stuck to the 10 percent undertaking we gave to the authorities when it was decided to do away with price control.'

## STILL NO CREAM

A decade ago the low-profile Dairy Industry Control (DIC) Board was thrust unwillingly into the limelight. Hailed as the founder of a new school of economic thought, it was ridiculed for raising the price of butter to clear a surplus.

In reality the DIC Board was not the first monopolist (nor even the first South African control board) to attempt to recoup trading losses by screwing captive customers. Nor will it be the last.

In defence of the board, it is no longer run by the bombasts who ruined the butter business, and under current GM Ed Roux it has begun moving tentatively in the right direction.

The lifting of retail price control for milk should put more life into the market and encourage fresh consumption. Since milk is such a regular purchase its price tends to be both emotive and conspicuous. It is therefore the sort of product which the supermarkets and bigger tea-rooms will do their damndest not to over-price. Some will even use it as a loss leader. So the price controller has long been superfluous there.

At the other end of the scale, price control has always rendered margins unattractive to smaller retailers (especially in black townships where refrigeration is often absent) and door-to-door roundsmen, particularly in the posher white suburbs where doorsteps are far apart.

While controls existed, farmers have been losing sales in both these areas. The lifting of control will therefore not only remove red tape and obviate the need for distasteful prosecutions; it will also lead to greater consumer satisfaction and more aggressive marketing all round. With luck it could even reverse the precipitous decline in fresh milk consumption. Sales have fallen steadily from a peak *per capita* consumption of 69 l in 1959 to less than 39 l in the last two years.

Hopefully, the board will soon lift

price controls from factory cheese and butter too. Under price control, Cheddar and Gouda cheese consumption has remained static in SA at an abysmally low level (by international standards) of 1,1 kg/head a year for almost a decade, while butter has forfeited three quarters of its former market to margarine.

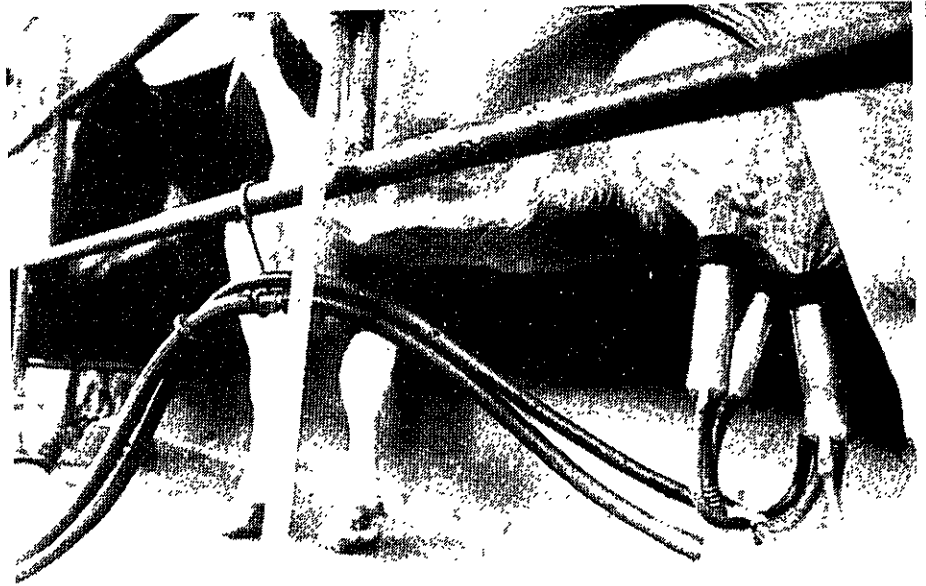
All the dairy industry's triumphs in recent years have involved de-controlled products. Where it is free to answer to the real needs of customers, the industry has been outstandingly successful in promoting sales of ice cream, yoghurt, flavoured milk, custard products, maas and exotic, higher-priced cheeses.

This is not a time for the housewives or the media to be complaining about higher prices as they did when the new producer rates were announced last week. Even before deducting its own higher levies, the new DIC Board pay scale gave the fresh milk producers only

8,3% and the industrial producers 9,4% more. When the compulsory levies are subtracted, the typical dairy farmer will receive a net increase of between 3% and 4% in a year in which his input costs will have risen by 15% — even if he is one of the few fortunates who hasn't had to buy more feed to see him through the drought.

The two things that really need knocking in the dairy industry are the insidious and inappropriate health controls (which serve mainly to insulate a cartel of middlemen from healthy competition) and the DIC Board's self-confessed failure to fulfil the one function for which the farmers need it: to prevent the EEC from dumping its chronic surpluses of dairy products upon SA at ruinously subsidised prices.

Had it succeeded in that one task it would never have needed the 2c/l additional levy it had to purloin from producers last week.



SA dairy cow ... protected from the EEC?

3 dairy



# Milk producers angry at price

② Dairy Mercury 25/6/83  
Pietermaritzburg  
Bureau

THE 1 c-a-litre increase granted to milk producers by the Dairy Board this week was insufficient to cover their increased costs, which had risen alarmingly in the past year.

This view was expressed by the president of the Natal Fresh Milk Producers' Union, Mr D Bruce, here yesterday.

Mr Bruce said the increased producer-price of fresh milk and the Dairy Board's decision to drop retail price control could have a disastrous effect on milk sales which could cause a drop in demand which would cost the farmers more than 1 c

a litre.

The imposition of a 2 c-a-litre levy for the stabilisation fund, to reduce the surplus of powdered milk, was not fair on the farmers because it was not entirely their fault there was a surplus.

The Natal union had brought it to the notice of the South African Agricultural Union that large quantities of milk powder were being imported into the country, but this had continued in spite of the efforts of the SAAU and the Dairy Board.

Mr Bruce said new entrants into the fresh milk industry were having to cope with losses due to their high capital investment and exorbitant feed costs due to the drought.

3 dairy

# Call to subsidise milk

**THE Government should subsidise milk to stop it becoming a luxury item. This was the response to the announcement last week that price control on milk will be scrapped and that cheese and butter prices will increase by about 11 percent on July 1.**

The Dairy Board has announced that fresh milk could be sold without price control being imposed.

Home-delivered milk in the Peninsula will go up by 7c a litre to 63c and the dairies are rec-

ommending to cafes that they increase their price by 4c a litre to 64c or 34c for 500 ml.

### NO MAXIMUM

In spite of there being no maximum retail milk price, distributors have agreed to limit the total price increase to five and a half cents a litre in most areas to six and a half cents in the Western Cape where farmers are normally granted one cent a litre more to compensate for the fact that they cannot grow their own fodder.

This means Peninsula consumers will pay seven-

cents a litre more for home-delivered milk when the price is rounded off to the nearest cent.

Standard 500 g and 250 g packs of choice butter will go up by 20c and 10c respectively.

### GRADES

Standard grades of Gouda and cheddar cheese — excluding vacuum-packed and processed cheese — will go up by 46c a kg.

The chairman of the Dairy Board, Mr Jan van Vuuren, said all distributors would have to report back to the Minister of Agriculture on the milk

price increases they had effected and steps would be taken to reintroduce price control if there were signs of large-scale consumer exploitation.

The announced increases have already evoked public concern.

The United Women's Organisation said in a statement: "The serious drought will have affected the cost of milk production but if the prices are increased, it will soon be beyond the price that people can afford."

### ESSENTIAL

"Milk is one of the essential foods for health and we are concerned that it is fast becoming a luxury item."

"In times like these the Dairy Board and the Government should subsidise milk and keep it at a price which we can afford."

Mr Abduraghman Khan, chairman of a small supermarket chain in the Western Cape, said: "The increases in the prices of dairy products are unjustified. We understand that the drought in the country is presenting problems, but the Government should subsidise something like milk in these conditions."

Milk is a luxury item nowadays and blacks will soon not be able to afford milk."

## Teachers show concern over tensions in sport

**THE Cape Teachers Professional Association has established an ad hoc committee to look into the sport situation in schools as affected by the policy and practice of apartheid.**

At the association's congress in Worcester last week delegates expressed their concern over the tensions which had developed in sport in recent times.

After its first sitting, the ad hoc committee issued an interim report to the congress "reaffirming this view and its basic belief in a single and open education system serving a democratic South Africa".

Because the matter was no light issue, the committee formed a study group to discuss the matter thoroughly and report back to the CTPA

Representative Council meeting in September.

The study group consists of Professor Owen van den Berg, Mr T Leonie, Mr D Roberts and Mr F Sonn, under the leadership of Mr R P van den Heever.

Certain delegates were not satisfied, however, and raised the matter again, requesting that the association clarify its stand.

The CTPA previously stated that it could not support specific sporting, religious or political bodies, but it would support its members in their right to choose their own affiliations.

Subsequently, a report from the study committee will be made to the CTPA's next conference for possible adoption.

③ Dairy Milk-powder  
Q. Col. 1740 29/6/83  
\*24. Mr. E. K. MOORCROFT asked the  
Minister of Agriculture:

- (1) Whether there is a surplus of locally produced milk-powder in the Republic; if so, what is the extent of this surplus:

1741

WEDNESDAY

- (2) whether his Department was approached recently with a request by the dairy industry to import milk-powder or any related product; if so, (a) by whom and (b) in respect of what quantity, in each case;
- (3) whether such permission was granted; if not, why not?

†The MINISTER OF AGRICULTURE:

- (1) Yes. A surplus of approximately 13 000 tons in excess of required stocks.
- (2) No. (a) and (b) fall away.
- (3) Falls away.

③ Dairy Milk-powder 9.61.1742  
26 Mr M. A. TARR asked the Minister  
of Industries, Commerce and Tourism  
† answered 29/6/82

1743

WEDNESDAY

- (1) Whether his Department was approached during the past year with a request for permission to import milk-powder or a related product; if so,
- (2) whether this permission was granted; if not, why not; if so, in respect of what (a) products and (b) quantity in each case?

†The MINISTER OF INDUSTRIES,  
COMMERCE AND TOURISM:

(1) and (2) The Department's records are not kept in such a manner that the information can be extracted relatively easily from the records.

Applications to import milk-powder are being referred to the Department of Agriculture for a recommendation. Permits are issued after such consultation, if recommended. Owing to the local surplus of milk-powder no permits for the importation of milk-powder have been issued for 1983.

**Reef milk prices go up**

30/6/83  
Consumer Reporter

Tomorrow the price of milk on the Reef goes up by an average 6 c a litre. Cafes will charge 69 c a litre (excluding GST), said a Tearoom Restaurant Proprietors and Caterers Association spokesman. Supermarkets will still sell milk at cost price — 61 c a litre. Home delivered milk will cost 63 c a litre. Cheese and butter prices will rise by an average 11 percent.

③ *Danny Hansard* Dairy products 30/6/8  
Q. 61. 1833  
1078. Mr. E. K. MOORCROFT asked the  
Minister of Agriculture:

Whether there have recently been any price increases in respect of dairy products; if so, (a) in respect of which dairy products and (b) what was the percentage increase in each case?

The MINISTER OF AGRICULTURE:

No. (a) and (b) fall away.

However, the Dairy Board announced that dairy prices would be adjusted as follows with effect from 1 July 1983:

- (a) The gross producer price of fresh milk will increase by 11 per cent in the Cape Peninsula and by an average of approximately 8,3 per cent in other controlled areas;
- (b) Control over the consumer price of fresh milk is to be abolished;
- (c) The gross producer price of industrial milk will increase by 9,4 per cent; and
- (d) The consumer price of butter and

→  
cheese will increase by 10,87 per cent and 10,8 per cent respectively.

# Milk 55c to 74c as control lifts

*Mercury 2/7/83*  
*3 Dairy*

**Mercury Reporter**

MILK in Durban now costs anything between 55 c and 74 c/l including tax after the abolition yesterday of price-control.

And it has caused such an uproar that Mrs Mercia Watkins, chairman of the Pietermaritzburg branch of the Housewives' League, has threatened to arrange public protests outside stores if the rises continued unchecked.

It was reported last week that consumers in Durban and Pietermaritzburg could expect a 10 percent increase in milk prices as a result of the removal of price-control.

Mr Ian Baxter, regional manager of Clover Dairies in Durban, said the wholesale price of milk was raised yesterday to 60,5 c/l — an increase of 5,5 c/l.

The controlled price to consumers was 60 c/l, on

which cafe-owners made a profit of 5 c/l.

Clover was to recommend to cafe-owners that they sell milk for 66 c before tax. In this way they would make a profit of 5,5 c/l.

## Greater profits

However, some stores were making greater profits...

Durban's Cafe Cosmos in West Street was yesterday selling milk at 74 c, including tax, and a spokesman for the store explained that cafe-owners in the area had got together and decided to charge this price.

'There's nothing now to stop us charging even 80 c,' a woman shop assistant told a reporter.

A litre of milk sold yesterday for 70 c at Dunvegan Cafe in Gale Street, Glenholme Supply Store in Moore Road and Wolsely Tea-Room in Umbilo Road.

The Family Tea-Room in Umgeni Road was selling milk for 71 c.

According to a spokesman for Checkers, a litre was now selling at all branches for 61 c; 500 ml for 31 c; 250 ml for 17 c and two-litre containers, available at selected branches, for R1,20.

Mrs Watkins urged consumers who felt they were being exploited to contact the league: 'All this will be ammunition for representations we intend to make to have price-control restored,' she added.

## R100 000 loss

However, Pick 'n Pay decided yesterday to sell milk at the old wholesale price of 55 c/l.

Mr Colin Clark, Natal general manager, told the Mercury the chain was maintaining this price, in Durban and Pietermaritzburg, for the whole of July and was shouldering

a loss of more than R100 000.

The chain had also bought R4 000 000 worth of cheese and butter — certain makes of which also rose in price yesterday — which would be sold to customers at low prices.

A spokesman for the Dairy Board in Pretoria confirmed yesterday that price-control was also dropped yesterday on 'non-standard' cheese and butter.

This meant, he said, that there could be about a 10 percent increase in the prices of some cheese and butter.

Cheese classified as 'non-standard' was that which was not specially matured, had a mass of more than 2 kg and which might be cut up, by retailers, for distribution.

'Non standard' butter was not wrapped in ordinary parchment.

U  
C

# Anger as milk jumps by 9c a litre

*3/7/83*  
*3/7/83*  
*3/7/83*

By ANTHEA TASKER  
and RUTH GOLEMBO

HOUSEWIVES were dealt a double blow this week when the price of milk was increased and price control was scrapped.

A recommended 5c increase in the basic price saw cafe owners charging 9c and more on the old carton price.

A snap survey of cafes around the country yesterday showed that in some cases the milk price has risen to as much as 75c a litre. The old recommended carton price was 66c.

Cafe owners have taken full advantage of the new no-price control situation to pounce on unsuspecting consumers who run out of milk after shopping hours.

But prices differ dramatically for each area.

A cafe in Blairgowrie, Johannesburg, was selling milk at 69c a litre including sales tax.

In Bezuidenhout Valley milk was going for 73c, while a Bramley cafe sold it for 75c.

A cafe in Booysens charged 70c and in Orange Grove the price was 73c a litre.

The larger supermarket chains have pledged to keep the price of milk down for at least a month.

Pick 'n Pay has announced that milk prices will not increase until the end of July.

## Below cost

The price for cartons sold in the Transvaal remains fixed at the old price of 55c.

After July the situation would be reviewed according to a Pick 'n Pay spokesman.

Other supermarkets in an attempt to keep prices rock-bottom, are selling below cost.

A spokesman for Checkers said their stores on the Reef would sell milk at 61c and half litres at 31c, excluding sales tax.

OK Bazaars is selling litres at 60c and half a litre at 31c.

Witwatersrand housewives spoken to yesterday were horrified at the cafe price increase.

"I will only buy from a cafe if I run out of milk at an awkward time," Mrs Marge Cooksley of Kensington said.

Like other housewives, she uses powdered milk as well, which costs between 40c and 50c a litre.

Dairy prices for milk have been fixed at 63c a bottle.

Mrs Joy Hurwitz of the Housewives' League said an executive meeting of the league would be held tomorrow to check on price rises of milk.

In Port Elizabeth cafes a litre of milk cost 72c and in Durban, milk was being sold at between 66c and 74c a litre.

In Cape Town some outlets were charging as much as 79c a litre.



Tuesday, July 5, 1983

Mercury

# Milk retailers warned of possible price control

3 Dairy

Pietermaritzburg  
Bureau

THE Dairy Board may ask the Government to re-impose retail price control on fresh milk if distributors and retailers do not 'play ball' following last week's lifting of restrictions.

This was revealed yesterday by the board's spokesman, Mr Jaap de Bruyn.

Mr de Bruyn told the Mercury that there had not yet been much adverse comment from consumers and consumer-organisations, but ascribed this to the fact the new prices only became effective on Friday.

And while he conceded that farmers had contacted the board to vent their feelings at its decision to give them only 1c a litre more for their product, 'we can't really judge from the odd call from incensed farmers'.

'I think we will get an indication pretty soon on whether retailers and distributors are going to play ball or not,' Mr de Bruyn said.

## Defended

'The way we see it we will have to take stock at some time or other and have a look at these prices and any complaints we receive, and decide whether we go back to the minister and perhaps talk about the re-imposition of retail price control.'

Mr de Bruyn defended the board against criticism from dairy farmers for their decision to retain producer-price control while relinquishing control over middle men and shopkeepers.

'Milk is a perishable product and we can't go back to the days when producers hawk their wares around and at the end of the day throw it down the drain.'

He also denied claims that Natal farmers had never wanted to join the Dairy Board, saying they had asked to be included and they could not now have their cake and eat it.



# Natal farmers weren't consulted on milk price move

(3) Dairy Mercury 7/7/83

Pietermaritzburg Bureau

NATAL dairy farmers had not been consulted by the Dairy Board before the removal of retail price restrictions on fresh milk - an action which threatens to drive many farmers off the land

This was revealed yesterday by the president of the Natal Fresh Milk Producers' Union Mr David Bruce

Mr Bruce said he could not deny claims made by angry milk producers that the loss of milk sales through overpricing by retailers, coupled with an inadequate increase in the controlled price farmers got for their milk, could lead to a third of them going out of business

Young farmers just starting out with large debts were particularly vulnerable to this in present circumstances, Mr Bruce said

The Dairy Board had given farmers 3c/l more for their milk with one hand, but had taken 2c/l away for their stabilisation fund with the other

### Fear

'And my fear is that the remaining 1c will be taken away by the loss of full-price sales through cafe owners loading their prices.'

Mr Bruce said his union met yesterday but had made no decisions regarding the Dairy Board's moves 'We can pass all the resolutions we like, but there is nothing we can do about it'

However, the general manager of the board, Mr Eddie Roux, had volunteered to come down to Natal to present their standpoint and he hoped to gain a clearer understanding

## Connors, Lendl

### 'available'

### at R50 000 an ad

Mercury Correspondent

PRETORIA—Jimmy Connors and Ivan Lendl, already super-rich tennis stars and contenders in the Sun City million-dollar tennis bonanza, want to earn 'just another little extra' while in South Africa

They've made themselves available for commercial television appearances and sponsorship for a cool R50 000 a go.

They're not only available, they are actually actively advertising themselves to be advertised

A front-page advertisement in the journal Market Place reads:

'Jimmy Connors or Ivan Lendl (No 1 and No 3 in world rankings) avail-

able for TV, commercials, sponsorship, etc. here in South Africa late July.

'Fee R50 000 for exclusive rights and use, i.e. one product, one commercial.'

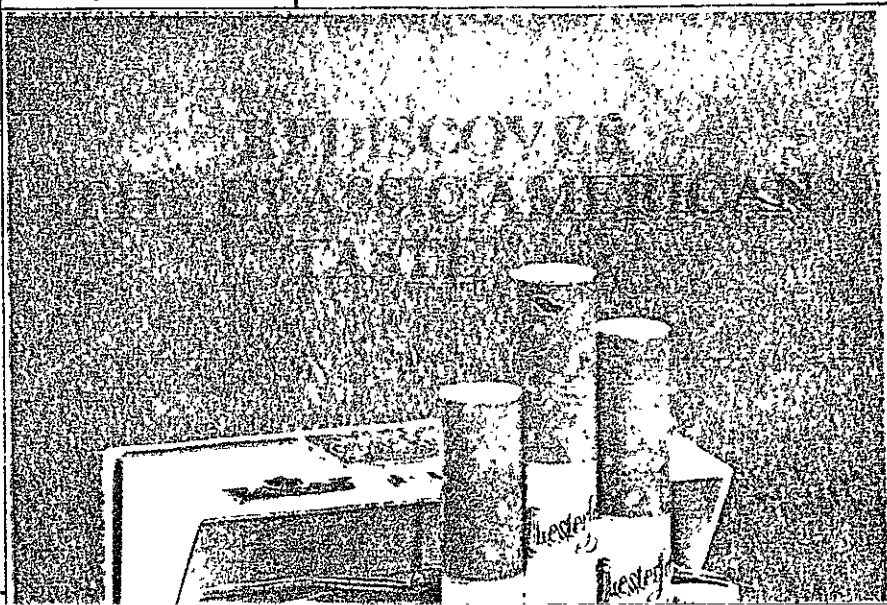
It could not be confirmed whether any offers had been made.

It would be known only late tomorrow or early on Saturday whether there would be live television coverage of Saturday's tennis at Sun City, a spokesman for the SABC said yesterday.

It was SABC policy to delay announcement of plans for any coverage of major sporting events so as not to affect gate-takings at the event, the spokesman added.

# It ied ay

CHOOSING a chicken champion from nearly 2 000 birds was difficult — and deafening — at the South African Poultry Association's national championships at the showgrounds in Pietermaritzburg yesterday. Around 200 awards were han-



# MILK

'Some people complained, but <sup>they've</sup> stopped moaning now . . .

Mercury Reporter

DURBAN cafe owners claim milk sales have dropped only 'slightly' during the past week since the retail price control was lifted — while a supermarket chain reports a 20 percent increase.

In a Mercury survey yesterday, most cafe owners reported sales down by as little as 12 c a day, while others said their sales had not fallen off at all. It was being sold at between 70 c and 74 c/l including tax.

Mr George Nathan, owner of a cafe on the Victoria Embankment, said he did not know price control had been abolished. He was selling at 66 c/l plus tax — the price recommended by the dairy.

Owners claim they have had few complaints, but one woman — who preferred not to be named — said it was 'ridiculous' to have to pay as much as 74 c/l. 'It's an absolute outrage. Milk is a necessity in most people's lives. Why should we have to pay whatever shop owners feel like charging? In fact, in future I'm going to buy powdered milk.'

An assistant in a Smith Street cafe, where milk was selling at 74 c/l, said some customers had complained for a few days. 'But they got used to the new price pretty quickly and don't mean about it now.'

The general manager of the Durban North Hypermart, Mr Martin Rosen, said milk sales had increased 'tremendously'.

All Pick 'n Pay stores are selling milk at the old wholesale price of 55 c/l during this month. The Natal general manager, Mr Colin Clarke, said milk sales had risen by about 20 percent — from about 51 000 l to 66 000 l a week — during the past week. 'People are buying from us now instead of the cafes.'

# Cost will decide Durban grand prix

Mercury Reporter

DURBAN will host the world championship status 1985 South African Grand Prix if the Kyalami organisers are satisfied that the event will be financially viable.

The event would be held in Durban for one year only and would move

tract to run a grand prix where we run that grand prix really doesn't make any difference.

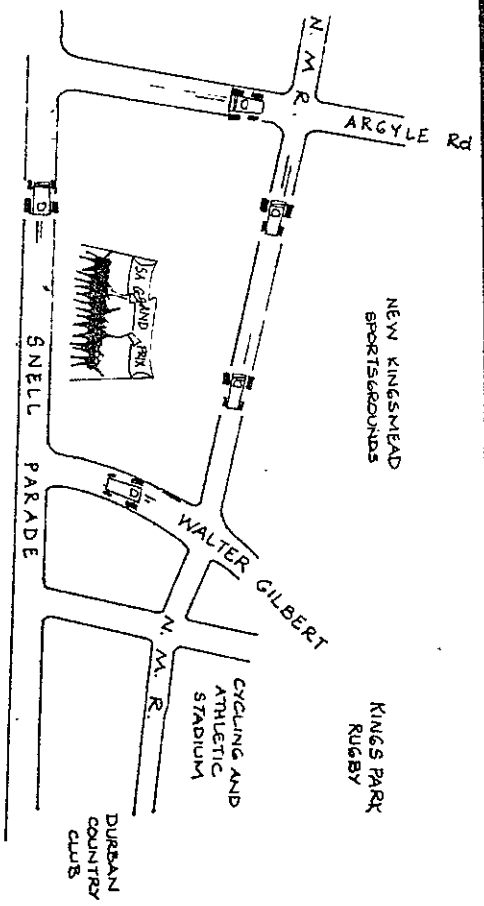
When the Durban people approached us we said okay provided the logistics problems could be overcome, said Mr Hartsheer.

Attending the meeting was the chairman of the

Kyalami grand prix to Durban with world status, he said.

I wouldn't like to estimate the considerable additional expenses attached to having it in Durban at this stage, but it would be very expensive — an additional R2 000 000 would have to be found, said Mr

Hartsheer.



The proposed route for the grand prix.

## Fined over beer

Court Reporter

THE son of the proprietor of Durban Funeral Services was convicted in the Durban Magistrate's Court yesterday of being in possession of 1 stolen funeral

## Armed ANC men seek Swazi asylum

MBABANE—Two members of the banned African National Congress have appealed for political asylum in Swaziland, they had spent time in detention in South Africa for their activities with the outlawed ANC. They demanded asylum from

**HYPE**

**SATURD,**

9.30 a.m.

GAME, C

AND PE

10.30 a.m.

BLOSSO

LOT

**FR**

# Dairy Board move defended

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.

③ Dairy  
② Farmers  
11/7/83

has now become a routine procedure.

The British Medical Association says there have been at least 128 test-tube births world-wide since 1978 and treatment clinics are operating in 15 countries.

There have been three pairs of test-tube twins and one set of test-tube triplets. Louise Brown has a test-tube baby sister, Natalie Jane, born last year. — Sapa

# Dairy farmers forced to quit

**HEIDELBERG** — The dairy farmer had been shabbily treated by the Government, the chairman of the Dairy Control Board, Mr J J M van Vuuren, told a meeting of milk farmers in Heidelberg yesterday.

Farmers also voiced general "dismay" over the way they had been treated and many said they would have no alternative but to leave the dairy industry.

Mr Van Vuuren said the board did not accept the recent milk price ruling and the Government could not expect the milk farmer to pay for its own administrative shortcomings.

In January, production costs had already risen by 4.2c a litre from the beginning of last year.

This had to be added to 1.5c a litre for the higher maize price and 2c a litre

as a result of sharply increased prices of hay.

To be in the same position as last year, the milk producer had to have a total price increase of 7.7c a litre.

Instead he got only 3c a litre, of which a 2c levy was deducted to finance storage and sales of a growing milk surplus converted into milk powder.

Most of this surplus had

been caused by the Government allowing 8 000 tons of subsidised cheap milk powder into the country.

The vice-president of the board, Dr J H Grey, said future prospects were for over-production of milk.

As there was an over-supply of slaughter cattle due to the drought, all the farmer could do was put as much cattle feed as possible through his dairy herd.

## Wife sure husband will be freed soon

Post Correspondent

**DURBAN** — Mrs V Tooch, wife of Mr D Tooch, who is being held by the Mozambican authorities after the aircraft he was travelling in attempted to refuel at Nampula, said today she was confident her husband's release was "a matter of time".

Speaking from her home in Farmon Road, Glenmore, Durban, she said: "The matter is in the hands of the Department of Foreign Affairs who have been sympathetic all along."

"I feel that it is only a matter of time before my husband is released."

Mrs Tooch, who is a schoolteacher and the mother of three small chil-

dren, confirmed that her husband was a director of the Indian Ocean Export Company.

She said he often flew to Mayotte Island in the Comores on business.

Mr Peter Clarke, managing director of the company, said today the firm made regular charter flights to the Comores.

Mr Clarke said that en route from the Comores, their aircraft normally refuelled at Blantyre in Malawi, or at Maputo.

He said he had stopped over in Maputo before.

He did not know why the men in the aircraft had tried to refuel at Nampula this time.

However, he felt the detention of the twin-engined aircraft, which was carrying Mr Tooch and another South African, Mr Lucas Nel, two Frenchmen and two Englishmen, was just a matter of red tape.

He said that the Department of Foreign Affairs was still negotiating to obtain release of the men.

The men have been held in Mozambique since about June 16.

The Mozambique authorities are holding the plane because the men did not have a licence to land or to refuel.

The aircraft belongs to Mr Nel, who lives on Mayotte Island.

## Ten refs assaulted in Tvl in last two years

Post Correspondent

**JOHANNESBURG** — Ten referees have been assaulted — some punched and others kicked — by players in Transvaal club rugby during the last two years.

A number of referees object to taking games on certain grounds — and one club has been given a final warning to "get its house in order".

Last week, two incidents occurred in which referees were attacked by players, and the Transvaal Rugby Referees Society (TRRS) is taking action.

In a third-league game, referee Dave Adams was punched on the jaw and he has laid a complaint with the police. One of the players told him after the match he would "get" him.

In the other, Kevin Hughes had to be protected against players in the match between Diggers/Kibler Park and Old Edwardians after fist-fighting broke out. Hughes was kicked in the stomach after blowing the final whistle.

A member of the TRRS said today that one senior club had such a bad reputation that they had been ordered to put matters right before a referee would take a match there.

He said: "Previously when players assaulted a referee they were banned for life, but today they are merely suspended."

As a result of some players' actions, referees were losing interest in officiating, he added.

## Ex-beauty queen is fined

**JOHANNESBURG** — A former Miss Body Beautiful, Miss Laura Cronje, 32, was fined yesterday in the Johannesburg Magistrate's Court for speeding and contempt of court.

Cronje was due to appear on Wednesday but failed to do so. Yesterday she arrived as the court was about to close. She explained she was late because an insurance broker had come to her house and her car had run out of petrol on the way to court.

She was fined R20 for contempt of court and R50 (or 25 days) for travelling at 83,74km/h in Empire Road on May 8.

Cronje said her car's speedometer had broken and handed the court a garage workshop schedule showing it had since been repaired. — Sapa

## SA will import 500 000 more tons of maize

**PRETORIA** — The Maize Board has been requested by the Minister of Agriculture, Mr Greyling Wentzel, to call for tenders for the purchase of a further 500 000 tons of yellow maize abroad to supplement the local shortage.

The general manager, Mr Hennie Nel, said in a statement that full tender conditions and requirements on the submission of tenders, the closing date and other related matters, were obtainable from the board's headquarters in Pretoria.

Mr Wentzel's request arose from recommendations made by the Import Advisory Committee.

Mr Nel also said that the first three cargoes of maize from overseas had already

arrived, that unloading had almost been completed and that two further cargoes were expected next week.

"The discharging and distribution of the imported maize are progressing smoothly. I am optimistic that we will succeed, through the imports and the distribution programme we have worked out, in supplementing not only the maize shortage, but also in ensuring that buyers and consumers will receive all their maize requirements on a regular basis," he said.

He pointed out, however, that this was the biggest importation programme for maize in the country's history and that the board relied on the co-operation of all the parties concerned in these circumstances. — Sapa

## Weather

FORECAST for the coastal belt from Plettenberg Bay to Port Alfred for the period ending 6pm tomorrow

CONDITIONS: Partly cloudy and cool.

WIND: Wind strong westerly to south-westerly becoming moderate westerly to south-westerly tomorrow

EXPECTED TEMPERATURES  
Maximum 19C  
Minimum 12C

TODAY'S CONDITIONS (1pm)  
Sea Temperature -14C  
Temperature 16.1C  
Pressure 1 017,3mb  
Humidity 54%  
Wind 45km/h WSW gusting to 83km/h

THE MOON  
First Quarter July 17  
Full Moon July 25  
Last Quarter Aug 2  
New Moon Aug 8

THE SUN  
Sets today 5.25pm  
Rises tomorrow 7.20am

THE TIDES  
High Water  
Today 7.50pm  
Tomorrow 8.46pm  
Low Water  
Today 1.18pm  
Tomorrow 2.05am 2.04pm

## THE WORLD

	Min	Max	Weather
	°C	°C	
London	17	30	clear
New York	25	34	clear
Paris	18	29	clear
Rome	17	32	clear
Sydney	7	16	clear
Tokyo	20	28	clear
Amsterdam	17	22	cloudy
Athens	20	32	clear
Berlin	12	26	cloudy
Brussels	u/a	u/a	u/a
Buenos Aires	7	11	rain
Chicago	14	32	clear
Copenhagen	18	24	clear
Dublin	u/a	u/a	u/a
Frankfurt	14	28	cloudy
Geneva	15	29	clear
Helsinki	14	27	clear
Hong Kong	28	32	clear
Jerusalem	u/a	u/a	u/a
Lisbon	15	27	clear
Los Angeles	22	35	clear
Madrid	18	37	clear
Miami	27	30	cloudy
Montreal	19	27	cloudy
Moscow	17	29	clear
New Delhi	28	33	cloudy
Rio de Janeiro	16	29	cloudy
San Francisco	16	31	clear
Stockholm	15	25	cloudy
Tel Aviv	u/a	u/a	u/a
Toronto	5	29	cloudy

# Milk price gap<sup>3</sup> 'is illogical'

Dairy

Mercury

Pietermaritzburg Bureau  
15/7/83

THE gap between the price of milk delivered to the home and milk bought from the corner cafe was bound to narrow, said the regional manager of Clover Dairies, Mr Ian Barker.

Milk delivered to homes in Durban and Pietermaritzburg now costs 65 c/l, including tax, while cafes are asked but not obliged to sell milk at 70 c/l.

Mr Baxter said that while he could not speak for milk distributors around the country, his own feeling was that this differential could not be maintained indefinitely.

He agreed that it was illogical that delivered milk should be cheaper, but said this originated to some extent from the control measures which had recently been abolished.

Already experiments in delivering to some areas only every second day had been conducted in an attempt to cut the dairy's costs, but this had led to a drop in demand, particularly where there were shops nearby.

Mr Baxter denied there were price increases for delivered milk in the pipeline, saying consumers were particularly sensitive to prices in the wake of the recent drop in retail price control, and he felt any further increases at present would be 'shortsighted.'

At the same time it was too early to tell with any accuracy whether those price hikes which had occurred since the beginning of the month had affected demand more than price increases usually did, or had resulted in a trend towards (cheaper) delivered milk.

Meanwhile, Pick 'n Pay in Natal report that their special milk subsidy, which has enabled them to keep the price of fresh milk down to 55 c/l, has boosted their milk sales by nearly 30 percent.

Their Natal general manager, Mr Colin Clarke, said that, excluding their hypermarkets, more than 10,000 l of milk were sold by their eight Natal outlets daily.

# Rumblings among Natal's dairy farmers

*Placum 28/7/83*  
*3 Dairy*  
Pietermaritzburg Bureau

NATAL dairy farmers are expected to ask some tough questions about the recent removal of retail price control on milk and other issues when they meet two senior members of the Dairy Board at Cedara next week.

The normally taciturn farming community has warned that the board's move, along with the very small producer price increase allowed this year, could drive one out of three milk producers into bankruptcy.

There have also been calls for the resignation of the producer-dominated board and rumblings to the effect that Natal farmers had been 'lured' into joining the board in the first place.

The chairman of the board, Mr Jan van Vuuren, and the general manager, Mr Eddie Roux, are to address the meeting in the Cedara auditorium on August 6 at 10 a.m.

yesterday. — Sapa

~~2.2.19~~ ~~1972~~ ~~1972~~  
Milk price is to  
go up in SWA

WINDHOEK. — The price of milk in South West Africa is to rise by 5c to 76c a litre from August 1.

The two major dairies in Windhoek — Milkcor and Bonmilk — announced that the price hike was prompted by increased transport and packaging costs. — Sapa.



# Dairy farmers complain of being milked

3 Dairy

Mail Correspondent

MARITZBURG. — Natal dairy farmers this weekend criticised the Dairy Control Board for dropping milk price control for retailers and distributors, while squeezing a 2c/l levy from farmers to evaporate a huge milk surplus.

And if Natal farmers get their way, the multimillion-rand surplus debt could be spread over the manufacturing, processing, and distribution sectors of the dairy industry, or be Government financed.

South Africa's dairy producing industry — described by some farmers as "sick" and "dying" — is reeling from the blows of a sustained drought, a flood of surplus milk that will cost about R28-million to remove, lower consumer consumption, higher input costs, and competition from illegally imported cut-price milk substitutes.

And increased milk prices, which followed the drop in price control, have soured consumers who feel they are being milked by distributors and retailers.

Meanwhile farmers, who are still obliged to sell their produce to the Dairy Board at a fixed price and quantity, will make only 1c/l from the new deal. The other 2c they stood to make is to be levied to repay the surplus debt.

To discuss problems and draw up a resolution, about 300 Natal farmers met top board officials for a lively four-hour debate at the Cedara Agricultural College, near Maritzburg, on Saturday.

Their five-point resolution will be submitted to the Minister of Agriculture, Mr J J

Wentzel.

The cream of the resolution concerns the spreading of the surplus debt into other sectors of the dairy industry, financing by the Minister of Agriculture, and the possible re-introduction of price control "should prices get out of hand".

The manager of the board, Mr E Roux, said the increased use of milk substitutes accounted for much of the surplus.

"And the illegal importation of milk products, at about one-third of the local price, accounts for about R8-million of this debt," he said.

Only the Dairy Board can authorise the import of milk products.

"But it is alleged certain individuals have taken advantage of the customs treaty we share with neighbouring homelands, and imported these products for the homelands.

"It is alleged these products arrived in South African ports, but never left the country.

"Police are expected to bring five such cases to court shortly," said Mr Roux.

The farmers yesterday called for compensation to be claimed from any guilty parties in the cases.

They also suggested that insufficient or inefficient marketing could account for the drop in milk consumption in the country.

But Mr Roux said the board hired top marketing teams, and spent about 1% of its revenue on advertising.

Aggravating the drop in consumption was the 20% increase in input costs to the farmer over the past year, according to the resolution.

# Milk on tap for PE buyers

D. P. P. Patel  
18/8/83

PORT ELIZABETH — A "revolutionary" machine which will distribute milk into consumers' containers while they are shopping and thereby reduce the cost of milk considerably is to be pioneered in Port Elizabeth soon.

The marketing manager of a dairy, Mr S. P. du Plessis, said yesterday that the new milk dis-

tribution system would eliminate the cost of milk cartons, which at present add 5½ to every litre, and milk dispensed in this way should be even cheaper than having it delivered.

"We have not yet determined exactly how much milk dispensed in this way will cost," Mr Du Plessis said. "But we are working on it."

The new system, which had just been perfected in Germany, would be "a first for South Africa" and Port Elizabeth would probably be only the second city in the world to see the new machine.

If the system, which cost "a small fortune," proved a success and was popular with consumers, more would be

purchased by the dairy and installed at supermarkets throughout the city, Mr Du Plessis said.

The new system will be launched at a special ceremony early next month.

"They're very easily installed. All one needs is an electric plug," Mr Du Plessis said. — DDC.

The MINISTER OF MINERAL AND ENERGY AFFAIRS:

If the present planning of Escom and of the Licensing Authority proceed according to schedule the No. 1 Unit at Koeberg will start to generate some power at the beginning of January 1984. Take-over by Escorn, that is full power and commercial operation, is scheduled for mid-April 1984. In the case of Unit No. 2, the dates are mid-June 1984 and mid-September 1984, respectively.

*Handwritten:* 3. Mr. J. B. VAN ZYL asked the Minister of Agriculture:†

Whether he is considering taking any steps in regard to the profit margin of the middleman as far as agricultural products are concerned; if not; why not; if so, what steps?

†The MINISTER OF AGRICULTURE:

No. Only in the case of bread, flour and certain packings of butter and Cheddar and Gouda cheese the consumer's price and thus also the profit margin of the trade are controlled. Extension of such control to other agricultural products is not considered as, among others, the marketing systems are not suitable for such control. In addition, free competition as a general principle of the free enterprise system has already been accepted in the Republic and excessively high profit margins will normally be eliminated in the trade by free competition.

House loans: medical certificates

\*4. Mr. S. P. BARNARD asked the Minister of Community Development:†

- (1) Whether his Department has received any representations regarding medical certificates in respect of sterility which are required by certain

building societies from applicants for house loans;

- (2) whether he will make a statement on the matter?

The MINISTER OF COMMUNITY DEVELOPMENT:

- (1) No.

- (2) Falls away.

Casino activities

\*5. Mr. S. P. BARNARD asked the Minister of Industries, Commerce and Tourism:†

- (1) Whether he intends taking any steps in respect of the involvement in casino activities of a business group in which the Industrial Development Corporation has interests; if so, (a) why, (b) when did the transaction take place and (c)(i) which companies are involved and (ii) in what way are they involved;

- (2) whether he will make a statement on the matter?

†The MINISTER OF INDUSTRIES, COMMERCE AND TOURISM:

- (1) It was already announced on Monday, 22 August 1983, that the Government had decided in consultation with the Board of the Industrial Development Corporation that the interests of the IDC in Safmarine, will be sold.

- (a) On account of the business transaction whereby Safmarine acquired a share in Newco with its extensive Casino interests. In cases where the Board of the IDC considers that the Corporation no longer has to play a development role or that the in-

volved cannot be justified on strategic grounds, it is also the policy to dispose of such shareholding (interests), in particular where it can already be coupled to a continuous history of profits.

- (b) Details of the transaction were announced by the interested groups on 19 August 1983.

- (c) (i) and (ii) An interest of 50% was acquired in Sun Rennie by Safmarine and Mr. Kerzner through a joint company in which they hold 49,9% and 50,1%, respectively, of the shares. Sun Rennie holds 75% of the shares in Newco.

Mr. H. H. SCHWARZ: Mr. Speaker, arising out of the reply given by the hon. the Minister, does the principle which he has announced here also apply to the two investment companies which are indirectly controlled by the Government through the Industrial Development Corporation, and which are also quoted on the Johannesburg Stock Exchange?

†The MINISTER: Mr. Speaker, in so far as they are wholly owned subsidiaries of the IDC, the same rule applies.

†Dr. H. M. J. VAN RENSBURG (Mossel Bay): Mr. Speaker, further arising out of the reply of the hon. the Minister, can he tell the House who the Directors of Safmarine are?

†The MINISTER: Mr. Speaker, I should like to request the hon. member for Mossel Bay to lay that question upon the Table. [Interjections.]

Road traffic accidents

\*6. Mr. R. A. F. SWART asked the Minister of Transport Affairs:

- (1) Whether his Department keeps statis-

tics of road traffic accidents; if not, why not; if so,

- (2) whether the sex of traffic offenders is recorded; if not, why not; if so, how many (a) males and (b) females were involved in road traffic accidents in the latest specified year for which figures are available;

- (3) whether he will make a statement on the matter?

†The MINISTER OF MANPOWER (for the Minister of Transport Affairs):

- (1) No. Statistics are kept by the Central Statistical Services of the Department of Constitutional Development and Planning and these are, *inter alia*, made available to the Department of Transport.

- (2) Falls away.

- (3) No.

Fuel prices

\*7. Mr. J. J. B. VAN ZYL asked the Minister of Mineral and Energy Affairs:†

- (1) Whether, with reference to his reply to Question No. 5 on 19 August 1983, the cumulative losses which the oil companies agreed to bear themselves, were recovered from 19 August 1983 to 20 August 1983; if so, what amount in cumulative losses was recovered in this period; if not, what amount in cumulative losses had not yet been recovered as at 20 August 1983;

- (2) whether the (a) daily sales of fuel and (b) rate of exchange between the rand and the American dollar from 19 August 1983 to 20 August 1983 were of such a nature that the reduction announced in fuel prices could come in operation as early as 22 August 1983; if not, on account of which

# Milk Price Rise

MGWS

3/8/83

3 m. l/c

Consumer Reporter

MILK will go up by 2c a litre in some shops tomorrow.

Dairies notified supermarkets and other retailers yesterday that the wholesale price would be increased from 58c to 59,6c a litre. The price of milk delivered at home will not be affected.

News of tomorrow's rise shocked retailers, some of whom were hoping for a drop in price as a result of the lower cost of fuel.

Mr John Barry, director of operations for Pick 'n Pay in the Eastern and Western Cape, said: "We have asked representatives of the dairies to meet us today and we will fight this increase, which we consider totally unjustified."

## Price control

"This will be the third increase in the price of milk this year and the second since July 1."

Milk was freed from price control in shops on July 1. The dairies increased the cost price from 54c to 58c a litre and recommended that shops should charge 64c a litre.

Some charged more than this, while the main supermarket chains sold it at cost.

Mr Maarten Henning, chairman of the Cape Dairy Producers Association, said dairies had not put up the price to retailers by the full amount they were allowed to on July 1.

## Feared

They feared that some cafés would overcharge to such an extent that price control would be brought back.

But most cafés were not overcharging and the dairies had found it difficult to carry on without a further rise.

The cost of plastic bottles had gone up on August 1 and the cost of cardboard cartons would go up tomorrow.

He said that on current costs a rise of a further 3,3c a litre would have to be phased in over the next 18 months for

Turn to Page 3, col 1

ARGUS 3 Mills  
3/8/83

# Milk price increase

(Contd from Page 1)

dairies to get a fair return for their investment.

On July 1 7c a litre had been added to the price of home delivered milk in returnable bottles, but no increase had been applied to cafés and supermarkets.

"This 7c was made up of 4c for the farmer and 3c for the distributor. The increase being applied to cafés and supermarkets now constitutes the second phase of our gradual application of the increase granted two months ago.

"We have saved the consumer a lot of money by holding back for so long — and now again by not applying the full allowable increase."

While the price of home deliveries of milk will remain the same, householders today received notices with their milk that dairy-delivered fruit juices would also cost more from tomorrow.

## MEETING

The transport element in milk cost was only 0.068c a litre which was such "a very tiny amount" it was not possible to pass it on to the consumer.

A spokesman for the Checkers supermarket group said executives would be meeting today to discuss the increase, and would issue a statement.

All Cape-based executives of the Grand Bazaars chain were out of town.

A number of café owners canvassed said they had had no notification of the increase and could not comment.

## DISAPPOINTED

A café owner in Southfield said he would increase his price from 68c to 70c a litre, but added that he was extremely disappointed.

"I expected a drop in price following the fuel-price adjustment," he said.

One cafe owner said he would raise his price from 68c to 69c a litre, and would absorb the remaining 0.6c himself. He did not expect any consumer resistance to the increased price.

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362.1 ESSA

0309

Milk price  
rise not  
the last  
this year

AMGUS 1/9/83  
3 milk  
Egg

TODAY'S rise in the price of milk will not be the last this year.

Mr Maarten Henning, chairman of the Cape Dairy Producers Association, tells me at least 33 c a litre will have to be added during the next 18 months.

This is if the dairies are to make what they regard as a satisfactory profit with costs remaining at their present level.

If costs go up, shoppers will have to pay more — provided, of course, they can afford it.

Supermarket executives believe a higher price will simply mean a drop in sales and a swing to the blends containing vegetable matter.

Pick'n Pay executives said sales of blends were increasing at 25 percent a year while consumption of fresh milk was not growing.

"Milk is more expensive now than petrol," Mr John Barry of Pick'n Pay said.

"The blends are much cheaper, even though we make a profit on them while we sell milk at cost.

"Blends cost 37 c a litre or less compared with the 58 c a litre we charge for milk, but their nutritional value is less.

"It is worrying to think that some mothers may give their children blends instead of milk because of the price difference."



Another price rise on the way this year.

Today's rise in price applies only to shops, and some may absorb the increase of 1,6 c a litre on the wholesale price.

Others will round it up to another 2 c a litre. A fortnight ago, Mr Henning told me there would be no increase in the price of milk for seven or eight months.

But yesterday he said the dairies had changed their minds last week.

Dairies in other parts of the country had raised their price by the full amount allowed by the Minister of Agriculture.

The Cape Town dairies increased on July 1 the price of milk delivered at home by the full amount the Minister allowed.

But they increased the wholesale price to shops by only 4 c a litre.

# Milk price rise 'unjustified'

Staff Reporter

THE increased price of milk meant that poor people, already hard-hit by inflation, were going to be even less able to provide properly for their children.

This was last night's response by Mrs Joan Huskisson of the Department of Nutrition and Diatetics at the University of Cape Town, to yesterday's announcement of a 2c increase in the wholesale price of milk.

"This must escalate the problem of malnutrition, which is already a huge problem in this country," she said.

The managers of two large food store chains said yesterday that the increase was "unjustified", in view of another recent increase and the lowering of the petrol price.

Mrs Huskisson said calcium and protein requirements were particularly relevant in infants and small children.

"Of particular concern is the impoverished, unsophisticated mother who might be tempted to substitute tea for milk.

It could also lead to more gastroenteritis among malnourished children, who were more prone to it.

Mrs Penny Borckenhagen, vice-president of the Cape Town branch of the Housewives' League, said the increase was incomprehensible as the price had been increased so recently.

"Fewer and fewer people are drinking milk," she said. "This upsets me because it is such an important part of people's diet."

With further increases in the price of milk likely later this year, the general manager of Pick 'n Pay for the Western Cape, Mr John Barry, yesterday criticized the "cloak-and-dagger" approach of the two major Western Cape dairies.

At an urgent meeting with the dairies yesterday, called by Pick 'n Pay in an attempt to prevent today's increases, Mr Barry said he was "shocked" to learn that the dairies intended applying for a further increase on November 1.

"We already feel the present increase is completely unjustified in the light of the recent petrol price drop. Now they tell us they have a backlog of 3,3 cents per litre from increases which were granted by the minister".

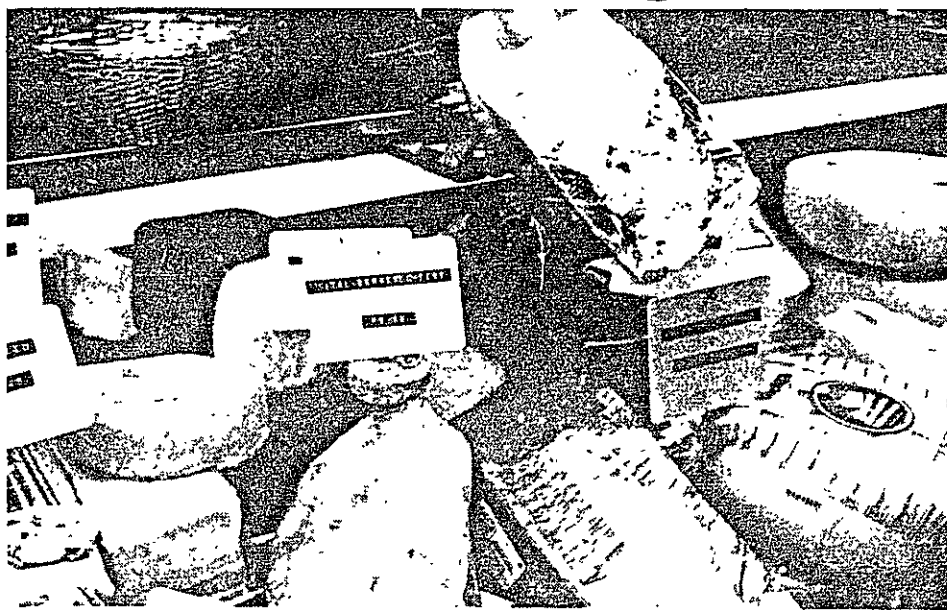
Mr Barry said he had voiced his strong disapproval at the meeting and labelled the increase as "ill-timed".

The managing director of Shoprite, Mr Wellwood Basson, said he would call for an urgent meeting with the dairies to object to the increase, which he described as "totally unjustified".

"Not only was the milk price increased earlier this year, but it was also freed from price control in shops on July 1. The petrol price was also subsequently lowered. An increase was the last thing we would have thought was justified."

Shoprite's Cape stores sell about 50 000 litres of milk a month.

*Cape Times*  
2/9/83  
3 MILK



Local cheeses ... facing illegal imports

importation are not known, he says, but it is being helped by free trade agreements between SA and her neighbours.

The SAAU has formed a committee to investigate illegal imports which are also arriving from other sources. Represented on the committee are control boards, organised agriculture and the departments of Agriculture and Industries and Com-

merce and Tourism. Says chairman Fanie van Rensburg: "Many processed and unprocessed agricultural products, including skim milk powder, dry peas and beans and meat are involved. They are illegally brought into the country without proper identification and even under false identity and pretences."

Other illegal imports are falsely identified as goods which do not need import permits. For example, skim milk powder is brought in as an ice cream mix, simply because it contains 6% stabiliser.

Quantities are unknown, but the Dairy Board (DB) estimates that 6 000 t of skim milk powder has entered SA in the last 18 months (*Business*, April 15). Most of the goods come from EEC countries, although Australia, New Zealand, the US, the home-lands and SA's neighbours are also blamed.

An SAAU spokesman says: "We are not against imports that are needed in SA to fill seasonal gaps. But we are sensitive about dumping."

The working group has recommended that the problem should be discussed with SA's trading partners; that control boards' powers over agricultural products and by-products be increased; that imported products be better identified and that quantitative import controls play a bigger role. The group has criticised the Department of Finance's customs and excise directorate for not keeping agriculture up to date on these imports.

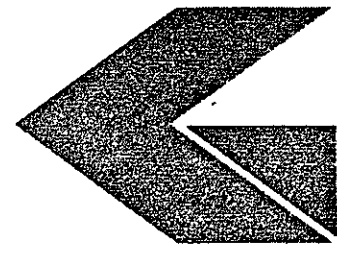
But a department source explains that not all import consignments are regularly inspected because this would cause a tremendous hold-up at the docks.

But he warns: "We can trace a delivery after it has reached the country, and take legal action against the importer."

# GRINAKE HOLDINGS LIMITED

"Grinaker"

(Incorporated in the Republic of South Africa)



## PROPOSED ORDINARY SHARE SUB-DIVISION

In order to improve the marketability of the ordinary shares, the directors of Grinaker have resolved to proceed with an ordinary share sub-division. Subject to the necessary approval of shareholders the directors of Grinaker propose that each ordinary share in the capital of Grinaker should be sub-divided from one ordinary share having a nominal value of 50 cents into five ordinary shares having a nominal value of 10 cents each.

A circular setting out details of the proposed sub-division and a notice convening a general meeting for the purpose of considering and if deemed fit, passing the resolution to give effect thereto, will be posted to shareholders on or about 14 September 1983. It is expected that the sub-division will become effective on or about 7 November 1983.

A further announcement in regard to the implementation of the sub-division will be published at the appropriate time.

Johannesburg,  
2 September 1983



Directors: O W Grinaker (Chairman) A N Seulez (Vice-Chairman & Chief Exec.) A D Sherwood (Deputy Chairman) O Bornheimer W H de Villiers  
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Alt Directors: M J D Steyn E C W Vels



FOOD

*(Handwritten: 7/11) (3) Dairy*

### Backdoor imports

Food for drought relief sent to neighbouring countries by international organisations is finding its way into SA instead, and undercutting local industry in the process.

So says a spokesman for the SA Agricultural Union (SAAU). The actual means of

*Fm 2/9/83*

# ③ Dairy farmers Mercury plead for levy to go

Mercury Reporter

DAIRY farmers yesterday appealed to the Government to lift the 2 c a litre levy on milk production which they have to pay into the stabilisation fund, and to shift the burden to the State.

A delegate at the Natal Agricultural Union congress in Durban yesterday, Mr Gerrie de Jongh, said the vast majority of dairy farmers were losing money — and were being penalised for the huge powdered milk surplus which was being made worse by illegal imports of powdered milk.

There were 2 263 fresh milk producers in South Africa, and 22 031 industrial milk producers.

## Despair

Together they made up more than one-third of all farmers in the country, and they all had this burden to bear, he said.

'Our fury has turned to despair. Surely the State Treasury should accept responsibility for the loan to the stabilisation fund.'

Agriculture Minister Greyling Wentzel said the illegal import of milk powders was a big problem, and he was considering amended legislation to make it possible to seize offenders and their merchandise.

A motion rejecting the introduction of a beef permit system was unanimously passed.

Delegates thanked the Meat Board for acquitting itself with distinction in the difficult drought circumstances.

Mr Arthur Hambly, chairman of the Natal Beef Producers Association, said the Natal beef quota system had proved to be the most efficient marketing system for beef in South Africa.

# Scramble likely for Egg Board relief offer

③ Dairies  
Pretoria Bureau  
Star 19/9/68

The Egg Board has made the equivalent of 500 000 dozen eggs and egg-powder available for drought-relief programmes.

The chairman of the board, Dr Eugene Brock, has announced that the eggs will be sold at subsidised prices to official drought-relief schemes.

The price will be about 40c a dozen — about one-third of the retail price.

The subsidy would come from the Egg Board's stabilisation budget. This is normally used to export eggs.

Eggs which will be channelled to drought relief programmes would, under normal circumstances, have been made available for processing or formed part of the board's buffer stock, provided to ensure a constant flow of eggs to the market.

"The drought-relief programme is being undertaken in such a way that it will not affect existing egg producers or trade channels," said Dr Brock.

"The eggs will go from urban warehouses directly to the seriously affected areas, where the supply of eggs is usually poor."

He appealed to the various relief agencies in the black national states to make the fullest use of the offer from the Egg Board.

PRETORIA — The Dairy Board has doubled its subsidy on skimmed milk powder bought for the campaign to curb kwashiorkor in drought-stricken areas, the manager, Mr E. Roux, announced here yesterday.

He said in a statement this was the second time within a year the board was increasing its subsidy to clinics, hospitals and feeding organisations.

The subsidy had increased from 20,75c per kg to 50c per kg and it would be R1 per kg from now on.

"The Dairy Board has already allocated R1 388 000 for the subsidisation of milk powder purchases in the campaign to fight Kwashiorkor and will consider increasing this," Mr Roux said.

The current surplus of skimmed milk powder is about 12 000 tons out of a total stock of some 20 000 tons. It was sensible for the board to try to reduce this by assisting

those organisations fighting sickness related to a lack of nutrition in the drought ravaged areas.

"Those organisations which are not yet making use of our subsidy scheme are welcome to apply for participation," he said.

Although the board preferred to offer its surplus products on the local market at a reduced price, about 4 000 tons of skimmed milk powder had to be exported due to a deterioration in quality.

If a further 5 000 tons of skimmed milk powder could not be disposed of within the foreseeable future, this would also have to be exported, he said. — SAPA.

3 Milk 20  
D. Dispatch  
10/83  
powder  
subsidy  
doubled

# Board blamed as <sup>3 Dairy Mercury</sup> dairy farmers quit

7/11/83

## Mercury Reporter

WITHIN the next two months 27 dairy farmers in the Natal Midlands will close down their operations — forced out of business initially by milk distributors but ultimately, they say, by the Dairy Board.

The claim, which follows reports that the price of milk was to be increased for the fourth time this year, was made yesterday by a Howick farmer and former MP, Mr Gerrie de Jong, who said that almost every farmer in the Natal Midlands had been forced to reduce his herd.

I know of 27 farmers who will close down within the next two months. It is only the really big farms that can cope, said Mr de Jong.

Although the imminent milk price hike is distrib-

utor related, farmers are blaming the Dairy Board for allowing it to happen. 'The Dairy Board has adopted a malicious and tricky policy. Their intentions are obvious — they want to slowly take control of the whole industry,' said Mr de Jong.

## Housewife

On average the housewife is paying 70 c a litre. From that we get back about 31 c.'

Mr de Jong said if the farmer was not selling up, lock stock and barrel, then he was getting rid of all his 'marginal' cows.

'From a herd, of say 100, he will cut 20 off the bottom, keeping 80 of his most productive and profitable cows.'

Mr de Jong said this would place a serious milk shortage on the market.

Mr John Muller has

been farming in the Kokstad area for 26 years. In January he is selling his farm and 150 dairy cows.

'The cost of production is too high. We only get 31 c for our milk and that's after we have delivered it to Durban. Together with five years of drought, this has knocked us on the head,' he said.

A Dargle farmer of 10 years standing, who did not want to be named for fear of upsetting his sale, said he was forced to sell his herd of 112 cows.

## Break even

'I could only sell about 1 000 litres of milk a day. You have to sell at least 1 500 litres a day, not to make any money but just to break even.'

The manager of the Durban based livestock agents, Stockowners' Co-Op Co Ltd, Mr Terence

Craig, said that since July and by the end of December, 12 clearance sales will have taken place in Pietermaritzburg.

'This is an abnormal number of sales for this time of the year. It is uncommon for us to hold dispersal sales in spring,' said Mr Craig.

'A lot of these cows are being absorbed by the bigger farmers which means producer numbers are dropping, but those still left are getting bigger.'

President of the Fresh Milk Producer's Union of South Africa, Mr David Bruce, said the gap between the consumer and producer was an ever widening one.

'The consumer is paying more for his milk but we aren't getting more for ours. This can only result in a drop in sales,' said Mr Bruce.

Does not actually answer the question

8 1/2

ARGUS 8/11/53 3 Dairy

# Dairy man says milk price rise 'will stay'

Consumer Reporter

THE chairman of the South African Milk Distributors' Union has denied that the increase in the price of home-delivered milk was introduced unnecessarily without consultation with the Minister of Agriculture, Mr Greyling Wentzel.

Mr Maarten Henning said today that the 2c a litre rise, which came into effect yesterday, had to stay.

The Minister and the Dairy Board had been consulted in advance.

"I saw them both," he said. "I nearly fell off my chair with surprise when I heard the Minister say on television last night that our milk price rise was 'gekonkel' (cooked up).

"Dairies must make this extra charge if we are to make a fair profit.

"If the Minister or the public think milk should remain at last week's price, the Government must subsidise it. We cannot afford to do so."

The dairies plan to put up the wholesale price of milk, which did not go up yesterday, by 2c a litre next Monday.

Milk was freed from price control for distributors and shopkeepers, but not for farmers, last July.

## DISCUSSION

A spokesman for the Minister's office in Pretoria said today he would meet representatives of the milk distributors' union before the end of the month to discuss the price increase.

● The director of the Consumer Council, Mr Jan Cronje, said today that statements by national milk distributors that the "adjustment" of 2c a litre was purely co-incidental, was indicative of cartelisation.

He said the abolition of price control would, in the long run, benefit consumers provided cartels and monopolies were not created.

He said the situation was being watched carefully and the Consumer Council would not hesitate to take action if it became evident that certain organisations were using only certain components of the free market system to further their own interests.

Soul 57

# Dairy Board has 'lost control' of the industry

Mercury Reporter

WHEN the Dairy Board released milk distributors from the price control system they lost control of the industry, according to Mr Gerrie de Jong, a Howick dairy farmer and former MP.

'The distributors are now in the driving seat and they are controlling the price of milk to suit themselves,' said Mr de Jong.

'Eventually they are going to price us dairy farmers right out of the market.'

'The Dairy Board cut their own throats by allowing control to get out of their hands. There is no longer a free market system, the farmer has no say in the price of milk.'

He said the retail price control, which is based on supply and demand factors, was lost with the loss of the price control system.

'They will be selling less milk, but at a higher profit.'

General manager of Creamline Dairies, Mr Dale Osborne, said distributors were not to blame as they had worked 'positively' to help farmers.

'The total volume of milk handled by distributors has increased since last year and so have milk-related products,' said Mr Osborne.

'There have been many innovations in the milk market over the past five years. Long life milk, drinking yoghurt and maas are a few that come to mind. These should help to keep the farmer in business.'

Mr Osborne agreed that the number of milk producers was dropping and that those producers still in business were getting bigger.

Mr Ray Floweday, divisional manager of National Co-operative Dairies, said the co-operative's role was to market for its members, who were all dairy farmers.

(3) Dairy Mercury 8/11/83

# Milk price hike is on, says Henning

3 Dairy 10M 9/11/83

By GERALD REILLY  
Pretoria Bureau

THE South African Milk Distributors' Union intends going ahead with its controversial 2c a litre increase in the milk price "in terms of agreements reached with the Minister", the chairman of the union, Mr Maarten Henning, said yesterday.

Earlier this week the Minister of Agriculture, Mr Greyling Wentzel, expressed surprise that the price had been raised, and that he had not been consulted.

He said an urgent meeting would be arranged with the union.

This meeting, it is understood, is now scheduled for November 23

However, Mr Henning said the issue at the meeting would not be the price, but the apparent misunderstanding between the Minister and the union.

He said the distributors in the various provinces would decide when increases in their areas would become effective.

According to Pretoria sources the union has apparently ignored the Minister's implied disapproval of the price hike, "and there's nothing he can do about it unless he reintroduces control".

Mr Henning said the Minister's request to the industry had been to clear any increase with the Dairy Board — "which I did in discussions with the board last week.

The distributors were merely trying to eliminate a backlog which had accumulated during the control period, and

to ensure reasonable return on capital.

The Minister's own costing investigation confirmed the backlog, and he agreed to a 2½-a-litre increase in July. He also suggested the phasing in of a further price rise in November.

In fact, Mr Henning said, the official investigation indicated a 7c increase was justified in July, to give a conservative 15% return on capital.

Mr Henning said inflation had dumped a huge burden on the industry. This included higher costs of vehicles, repairs and spares, more costly packaging and escalating staff wages.

He regretted the price rise had become an emotional issue. It was presented in the media in a way which gave the impression the milk distributors had acted in an irresponsible manner.

b. b.

13

Fair



CAPE TIMES  
7/11/83

3 DAIRY

# Milk increase sparks anger

By MARTINE BARKER

THE announcement of a 2c-a-litre milk price increase — the fourth increase this year — has provoked angry reaction from consumer organizations and retailers.

And while dairy producers have not criticized the increase, they have emphasized that it has nothing to do with them.

In a statement released last week by the South African Agricultural Union, the chairman of the union's National Dairy Committee, Dr Louis Theron, said dairy producers were "very dissatisfied" that the increase had been linked to them.

The committee and the Minister of Agriculture had agreed that a producer price adjustment would come into effect each January. Consequently, farmers at this stage would still receive "the price which in the previous adjustment was proved to be inadequate", he said.

The managing director of a national supermarket chain, Mr Gordon Utian, said a milk increase "at this time" was "shocking".

He said the situation in the milk industry, where two parts of the production and distribution chain were de-controlled and the third was not, together with "ridiculous zoning regulations", had prevented competition and made price increases easy.

The managing director of another supermarket chain, Mr Wellwood Basson, said the cost of milk had already gone up by 16 percent this year.

"This is completely unjustified, especially when one takes into account the lower price of petrol and subsequent cheaper delivery costs."

The Consumer Council described the system of demarcating areas in which specific distributors operate as "essentially incompatible with free-market principles". It expressed "concern" at milk distributors' "evident efforts towards cartelization".

# Cafes asked to keep milk price rise to 2c

Pretoria Bureau  
THE Tea Room, Restaurant Proprietors and Caterers' Association has asked cafes not to increase the price of milk from Monday by more than the 2c/l added to the

price of milk by distributors. The chairman of the association, Mr Demosthenes Michos, said yesterday: "We could easily have justified adding another cent, or even two cents, a litre to the price,

but in the interests of consumers we have recommended to our 3 000 members that they do not do this."

Mr Michos said with GST added the price of milk in cafes would rise to 40c/½l

and 75c/l from Monday.

Meanwhile the Minister of Agriculture, Mr Greyling Wentzel, is to have discussions with the SA Milk Distributors' Union in Pretoria on November 23.

# Dairy Board replies on diet

(3) Dairy  
RPM  
12/14/83

## Pretoria Bureau

THERE was considerable confusion about the role of dairy products in the diet — after two programmes televised during the recent "Heartweek" campaign — according to the Dairy Board in Pretoria.

Professor Jacques Rossouw, nutritional adviser to the Heart Foundation of Southern Africa, when interviewed about the recent programmes, said the "Heartweek" campaign, and in particular the two televised programmes, were intended "to inform the general public about eating habits and heart disease".

However, the board said according to information it received after the programmes there was considerable confusion about the role of dairy products in the diet, after a follow-up programme.

The board said the following points should help eliminate confusion about dairy products.

"Dairy products were virtually irreplaceable in a healthy person's diet but a problem can arise where the cholesterol level in the blood could be increased by consuming food containing saturated animal fats, like butter, cheese and full cream milk, among others.

"While a moderate intake of dairy products can only be advantageous, the large majority of well-to-do South Africans were in the habit of eating too much fat resulting in a general condition of hypercholesterolemia, the board said.

"Substitutes for dairy products like whiteners (blends and creamers), were undesirable and real milk should receive preference mainly because of the calcium, riboflavin and protein it contained."

## MILK CONTROLS Lactic lunacy

(3) Dairy

18/11/83

There seems little point in lifting controls if the industries involved cannot increase prices without government's say-so. Milk distributors have run into this basic contradiction over the past couple weeks as have others in the past.

In exercising their freedom from interest-rate control, for example, the building societies recently ended up at the sharp end of an official inquiry; and certain landlords who upped rentals after the lifting of rent control have had their properties re-restricted.

There's an unreal quality about it all. As far as the milk price story is concerned, however, there is a little more to it. Did producers, in fact, promise Agriculture Minister Greyling Wentzel that they would not increase prices without consultation with the Dairy Board and himself?

Opinions differ. The SA Milk Distributors Union (SAMDU) says there may have been a "misunderstanding." Misunderstanding or not, Wentzel has called on SAMDU to explain at a meeting next week and then, ominously, "further steps will be considered."

But what steps? It transpires from the *FM's* inquiries that milk distributors did not ask for decontrol in the first place. Government wanted it because distributors' permitted margins could not be properly monitored because of a "lack of manpower."

Which raises interesting implications. For example,

what other controls are going by default because of the staff shortage in the civil service? And the admission seems to be that at least some government departments can no longer afford to police the whole restrictive web of administered prices in any case.

Furthermore, by decontrolling only one sector of an industry, as was done in this case, even greater distortions become inevitable. The distributors, theoretically at least, are now permitted to set their own prices to retailers who, in turn, are free to charge consumers what they like.

But producer prices are still controlled, restrictions on new distributors entering the dairy trade remain and SAMDU itself is a cartel in many respects. The fact that it is able to set prices countrywide confirms this.

And in controlled areas, farmers who would like to bypass the system altogether are not permitted to negotiate directly with the retailers.

The long-term plan, it appears, is systematically to decontrol all the components of the milk industry — and that includes free entry to the distributor trade and open competition, health requirements permitting.

SAMDU's Marthinus Herman admits that "we will have to grow into a new set of circumstances." If government is serious about creating a freer marketplace in SA, a lot of others will have to get used to the idea as well.

*Mercury*  
**Milk likely to  
go up extra 2 c**

*18/11/83*

**Mercury Correspondent**

**PRETORIA**—Another milk price increase of at least 2 c a litre is expected to be approved by Minister of Agriculture Greyling Wentzel from January 1, according to sources here.

This is on top of the 2 c a-litre increase imposed by distributors from November 14.

The expected January increase would be for producers. They last got an increase in June this year of 3 c a litre.

However, 2 c had to be paid into a stabilisation fund to help cope with a large surplus. Since June, producers claim, production costs have risen sharply.

It is understood that the Dairy Board may soon announce a 'price promotion' campaign in which butter and cheese prices will be substantially reduced. This is aimed at easing a large surplus

which has accumulated.

The Dairy Board is also struggling to reduce its massive surplus of powdered milk, and plans to export about 10 000 tons in the next few months.

January could be a difficult month for consumers, say economists.

In addition to the likely new milk price rise, electricity tariffs will rise by 6 percent, and it is strongly speculated that the bread price will also go up.

# Plunge in the price of butter and cheese

~~2/11~~  
3 Dairy  
As  
18/11/83

By Hannes Ferguson, Farming Correspondent

The Dairy Board is offering cheddar cheese and butter at a 10 percent discount as a Christmas promotion scheme to clear surpluses.

The retail price of cheddar cheese will drop from R4,70c a kg to R4,23c a kg and the price of butter will drop from R4,08c a kg to R3,67c a kg. The price of Gouda cheese will not be affected.

At least one supermarket chain — Pick 'n Pay — dropped its prices from this morning even though the reductions are officially scheduled for Monday. OK Bazaars will wait for Monday, but instead of only 41c a kg for butter and 47c a kg for cheese it would be a 50c reduction on both.

Checkers said its prices would drop from Monday.

The price reductions were forecast in a story in The Star more than a month ago.

The cost of the promotion scheme will be R2,5 million, which farmers will pay out of the board's stabilisation fund.

The promotion will involve 4 million kg of cheddar cheese and 1,2 million kg of butter.

The surpluses are the result of increased milk production following the drought. Hoping to retrieve a part of their losses, farmers have fed their failed crops to cattle.

## Estimates

From the beginning of the winter, cheddar cheese production has consequently been running at the level of 500 000 kg a month above the consumption level — and butter production was 200 000 kg a month above production.

Farmers' estimate that surpluses of about 2 million kg of cheddar cheese and 500 000 kg of butter will still be in stock after the promotion has ended.

These quantities will be kept in stock against any possible production decrease in the coming season.

# Unpasteurised milk blamed for disease

By  
**SALLY FLETCHER**

**EAST LONDON**—An increase in the incidence in brucellosis, a disease contracted mainly from the drinking of unpasteurised milk, is causing considerable concern among medical authorities in the Aliwal North district.

Dr J. D. Krynauw, regional director of the Department of Health and Welfare in Port Elizabeth, confirmed that the diagnosis of the disease was increasing although brucellosis had been present in the area for many years.

"Brucellosis is closely connected with contagious abortion among cattle and goats and it can be contracted in several ways," Dr Krynauw said.

"Farm workers are susceptible to the disease because of the handling of animals involved on the farm, particularly when cattle give birth.

"It can also be contracted through the drinking of unpasteurised milk but many people think that pasteurisation is not the answer and that purification of diseased cattle should be the main priority," Dr Krynauw said.

He said that if total public co-operation were to be attained, and that all unpasteurised milk were boiled before consumption, the disease could be brought under control.

"But it is a very long process and also a very sensitive issue because of the economic implications. It took a long time for brucellosis to be stamped out in Britain and it will take a long

time here," Dr Krynauw said.

The disease is often difficult to diagnose, having symptoms compatible with those of flu.

A sufferer may experience a high temperature, pains in the joints and general lassitude among other symptoms.

The disease is also recurrent—it may subside for a period of months after treatment to recur again at a later stage.

Dr W. F. Howard, medical officer of health for Aliwal North, would not give a definite figure for the number of cases registered but said it was "about 30".

"The thing is, the local people here are looking for brucellosis. The disease is fairly ubiquitous but elsewhere it is diagnosed as flu. Many people here have had it for years without being aware of exactly what they were suffering from," Dr Howard said.

"The answer lies with the farmers—they must inoculate their cattle! As medical officer all I can do is ensure that all the milk that passes through the dairies is pasteurised but a great deal of milk distributed directly from the farms is not pasteurised," Dr Howard said.

Dr Howard said there was no definite cure for the disease but that symptoms could be alleviated and sometimes disappeared completely.

"The problem is that the germ is intracellular—that is it exists within the cell. So to destroy the germ one has to effectively destroy the cell."

Mr J. Stott contacted the Dispatch to tell them he was suffering from the disease and described his symptoms.

"It is a depressing syndrome. One feels very weak and suffers from headaches and pains in the joints.

"The treatment is also unpleasant—heavy doses of antibiotics which are terribly expensive. Medical bills for treatment run to about R100 a month and a course of treatment lasts for about three months," Mr Stott said.

"After a course you have to go back to the doctor for a blood test. If it is negative you are presumably clear but the disease often recurs and the whole pattern of tests, treatment and more tests repeats itself."

Mrs L. Bekker was one of the earliest cases detected in the area. She was diagnosed as having brucellosis six years ago and has suffered recurring bouts about twice a year ever since.

"I have been everywhere for treatment to specialists at Tygerberg, Pietermaritzburg, Bloemfontein. They just don't seem to be able to cure this thing completely," Mrs Bekker said.

She eventually obtained treatment from Australia which helped for about a year before the disease recurred.

Mrs Bekker's husband and son also suffer from the disease.

"It is an awful illness to suffer from but I have resigned myself to living with it for the rest of my life. Many people in our area have brucellosis and a lot of them are at their wits end to know what to do," Mrs Bekker said. — DDR.

# Price slash is festive cheer

*Price slash is festive cheer*  
*19/11/83*

By GERALD REILLY  
Pretoria Bureau

THE Dairy Board's reductions are part of a special Christmas promotion — to sell 4 000 000 kg of first-grade cheddar cheese at 47c less a kg and 1,2-million kgs of first-grade butter at 47c less a kg.

According to Mr Jan van Vuuren, chairman of the board, the "bonus" was brought about by a surplus of supplies, following the recent abnormally high production of milk.

He hopes the promotion will not be used by retailers to get rid of old stock.

Checkers' public affairs manager, Mrs Peta Lomborg, yesterday said the surplus was expected to last for three to four weeks and would benefit consumers.

The director and general manager for food for OK Bazaars, Mr Ralph Horwitz, said the OK would sell cheddar and butter at below cost price from Monday. Cheddar will be reduced from R4,70 a kg to R3,88 and butter from R4,08 a kg to R1,68 for 500 g.

Mr Geoff Kahn, senior buyer for Pick 'n' Pay's supermarkets in the Southern Transvaal, said the chain had also slashed prices. From yesterday, cheddar sold at R3,89 a kg and butter at R1,69 for 500 g. Milk would cost 61c a litre till the end of the year.

MARGARETHA GOOSEN reports that elderly people may benefit by the reduction in the price of cheddar cheese from Monday, but butter — even at the reduced price — will still remain a luxury item.

"Elderly people will not change their habit of buying margarine — and will also not trust the reduction in the butter price," Mrs Zerilda Nel, Transvaal director of the National Council for the Aged, said yesterday.



7/12/83  
Milk price is likely to go up

3 Dairy  
By GERALD REILLY  
Pretoria Bureau

ANOTHER increase in the price of milk is expected early in the new year, according to sources in Pretoria.

It is understood the Minister of Agriculture, Mr. Greyling Wentzel, has agreed in principle to compensate producers for sharply increased production costs.

However, according to the sources, the increase will not exceed 10%.

Producers last received an increase in July when they were granted 3c/l.

However, 2c of it was channelled into a stabilisation fund to help defray losses caused by surpluses.

Another shock early in the new year is likely to be a substantial increase in the price of bread — that is unless the Government agrees to increase the huge R240-million bread subsidy.

However, according to sources, with the huge budget deficit looming — it is expected to exceed R3 000-million — and priority demands for funds for defence, housing and education, it would be difficult for the Government to raise the subsidy.

If GST is raised, the lower income groups will be hard hit by substantial bread and milk price increases.

MILK

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DAIRY PRODUCTS

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1984

# Surplus milk dumped on dirt road

3 Dairy

## Pietermaritzburg Bureau

OVER 180 000 litres of fresh skimmed milk in Natal has had to be 'dumped' because of an exceptionally high surplus over the New Year weekend, according to the Dairy Control Board in Pretoria.

A spokesman for the board told the Mercury that milk had been 'in abundance' in the province between December 29 and January 2 and

could not be placed.

The daily production of fresh milk in Natal is about 500 000 litres.

The spokesman said normally surplus milk was diverted for industrial use but the surplus over the New Year period had been so great that factories were unable to process all of it even though they were working round-the-clock.

'There was just too much milk over this particular weekend and stocks could not be kept because milk is such a perishable product.'

He said the board had tried to offer surplus milk that would otherwise have been destroyed free of charge, but this had 'not met with much enthusiasm'.

A factory in Mooi River had tried to get rid of some of its surplus by giving it away to blacks in a nearby township.

### Free

'Some of it was taken up quickly but after a while they lost interest because, they said, the milk was too watery and they questioned the fact that it was being offered free.'

The spokesman said the board was 'surprised' to learn that the National Co-operative Dairies in Pietermaritzburg had

dumped thousands of litres of surplus milk on a dirt road just outside the city on Monday.

Normally it was poured into the sewerage system.

A total of 20 000 litres of skimmed milk was dumped on a 6 km stretch of road early on Monday afternoon and again late that night.

The area manager in charge of collection, transport and manufacturing of industrial products for NCD in the capital, Mr Steve de Bruin, said it had been the quickest and most efficient way of getting rid of the surplus.

### Tanker

'We opened the valve on the tanker and drove on. Many people have asked why we don't give it to the under-privileged, but we tried it in Mooi River and it didn't work.'

Mr de Bruin said that in his five years in the capital he had never experienced such a surplus of milk.

The president of the Housewives League in Pietermaritzburg, Mrs Mercia Watkins, said she was 'furious' and would send a telegram to the Minister of Agriculture about 'this deplorable act of absolute waste'.

by muddy water

area  
from here  
The only other  
area dumped

# 180 000 litres of milk 'dumped'

CAP-Times 4/1/84  
3 Dec

Own Correspondent

MARITZBURG. — More than 180 000 litres of fresh skimmed milk in Natal has had to be "dumped" because of an exceptionally high surplus over the New Year weekend, according to the Dairy Control Board in Pretoria.

A spokesman for the board said milk had been "in abundance" in the province between December 29 and January 2, and could not be placed, and factories were unable to process all of it, even though they were working round the clock.

The daily production of fresh milk in Natal is about 500 000 litres.

He said the board had tried to offer free of charge surplus milk that would otherwise have been destroyed, but this had "not met with much enthusiasm".

A Mooi River factory had tried to give its surplus away to blacks in a nearby township.

"Some of it was taken up quickly, but after a while they lost interest because they said the milk was too watery and they questioned the fact that it was being offered free."

The spokesman said the board was "surprised" to learn that the National Co-operative Dairies in Maritzburg had dumped thousands of litres of surplus milk on a dirt road just outside the city on Monday.

Usually it was poured into the sewerage system.

A senior municipal official said yesterday that it was "a great tragedy" that a nutritious substance such as milk had to be dumped when there were so many people in need of it.

# Milk

(3) Dairy

# dumping

Mercury

# outcry

5/1/84

THE shock dumping of thousands of litres of fresh milk in Natal this week because of a surplus over the New Year period has aroused anger among welfare organisations here.

Strong reaction followed in the wake of the disclosure by the Dairy Board that a total of 185 000 l of skimmed milk had to be destroyed because distributors were faced with such an abnormal surplus.

The board became aware of the surplus only on December 28 — too late to tell dairy farmers to cut back on production and too late to find alternative means of disposing of the surplus.

Mr Leslie Weinberg, national chairman of Kupugani, the welfare organisation which sells basic foods at very low prices, said he was appalled that at a time when malnutrition was

## Pietermaritzburg Bureau

prevalent there should be such 'terrible wastage'.

He said the Dairy Board had told Kupugani it could have until 9 pm on Tuesday to collect surplus milk from National Co-operative Dairies in Pietermaritzburg.

'NCD told us they had no vehicles available and there was nothing we could do at such short notice.

'Because of the health requirements only refrigerated trucks could be used and these are not easy to come by.

'If we had known there was going to be a surplus

we would certainly have done our level best to arrange for the milk to be transported and distributed in the right areas', Mr Weinberg said.

A spokesman for the Pietermaritzburg and District Malnutrition Relief Organisation described the dumping as 'absolutely criminal'.

She was surprised the organisation, which is probably the biggest charitable distributor of milk, had not been contacted about the surplus.

'We certainly could have used it, but transport would have been a problem and that might be why we did not hear from them.'

The president of the National Council of Women, Mrs Else Schreiner, is to ask the Minister of Agriculture to investigate the dumping of such vast quantities of milk and to find ways of preventing it happening again.

'There is no excuse for the kind of planning that resulted in this happening,' she said.

## Futile

NCD dumped 20 000 l along a 6 km stretch of dirt road outside Pietermaritzburg on Monday.

Reacting to the board's statement, the chairman of the Natal Fresh Milk Producers' Union, Mr David Bruce, said there appeared to be 'some chaotic confusion somewhere along the line'.

'It seems so futile for us to work six days a week producing milk for someone to separate and chuck down the drain or on a dirt road.'

Mr Colin Clarke, a spokesman for Pick 'n Pay, said: 'We are shocked to hear about the dumping, particularly when we believe that such volumes could have been moved quite easily through the supermarket chains.'

'We have found that our recent subsidy on milk prices led to a 30 percent increase in sales. A simple telephone call from the co-op would have enabled us to drop our prices and promote heavily to assist them to move their surplus.'

# PE organisations may protest against Natal milk dumping

*3 Dairy E. Post 6/11/54*

By BESSIE BOUWER

ORGANISATIONS overseeing the interests of housewives and consumers in Port Elizabeth are to meet this month to consider what action they will take in protest against the dumping of thousands of litres of milk in Maritzburg last week.

Both the Port Elizabeth Consumer Association and the Housewives' League today reacted strongly to the dumping of the milk, an action which has also led to the Housewives' League in Natal to consider a protest march to draw the Government's attention to the situation.

Mrs Jackie Smith, chairman of the Port Elizabeth branch of the Housewife's League, said that although the

dumping had taken place outside their area, it was still a criminal, wanton waste, because milk was a basic food.

She said a committee meeting would be held this month and a decision would be taken about the form of protest to the Minister of Agriculture, Mr Greyling Wenzel.

Mrs Smith said there were many who could have benefited from the surplus milk and it was a pity that the welfare organisation, Kupagani, had not been able to contact a local supermarket or organisation for help.

She felt that something could have been arranged in the specified time limit.

She was referring to the fact that the Dairy Board had offered Ku-

pagani 22 000 litres of milk if it was collected in five hours.

Natal Co-operative Dairies told Kupagani that no collection tankers were available.

Mrs Thelma Basford, chairman of the Consumers' Association in Port Elizabeth, said the issue would be discussed at a committee meeting next Wednesday.

She felt that it was bad policy to dump a scarce commodity when there were so many starving people.

The dumping might have been the result of bad human error, but care should have been taken that supplies had not exceeded demand.

It was very sad to see this waste in a country where people still suffered from malnutrition, she said.

S - Zulund

Waste in a land of starving is criminal, says Sybil Hotz

# Spilt milk debacle

THE Dairy Board knew about the vast quantity of surplus milk for five days, and had in fact destroyed more than a hundred thousand litres, before they offered some of the excess to a charity organisation.

But by the time Kupugani was offered the milk, it was too late to arrange transport and they had to give up the offer.

At first the amount of milk thought to have been disposed of this week outside Pietermaritzburg was 185 000 litres, but the final figure has now been given as a quarter of a million litres.

The milk was dumped by the National Co-operative Dairies who said they were acting on orders of the Dairy Board in Pretoria.

Deputy general manager of the board, Willem Nutt, said: "We realised on December 28 that there would be a surplus and we started dumping the next day.

"Several thousand litres were dumped on Tuesday, January 3, we offered the milk to Kupugani but they could not arrange transport in time and that night the last several thousand

By JO TYLER

were costly.

The idea of Durban's mayor, Mrs Sybil Hotz, to create agencies where surpluses could be distributed was admirable but, said Mr Nutt, there were certain provisions.

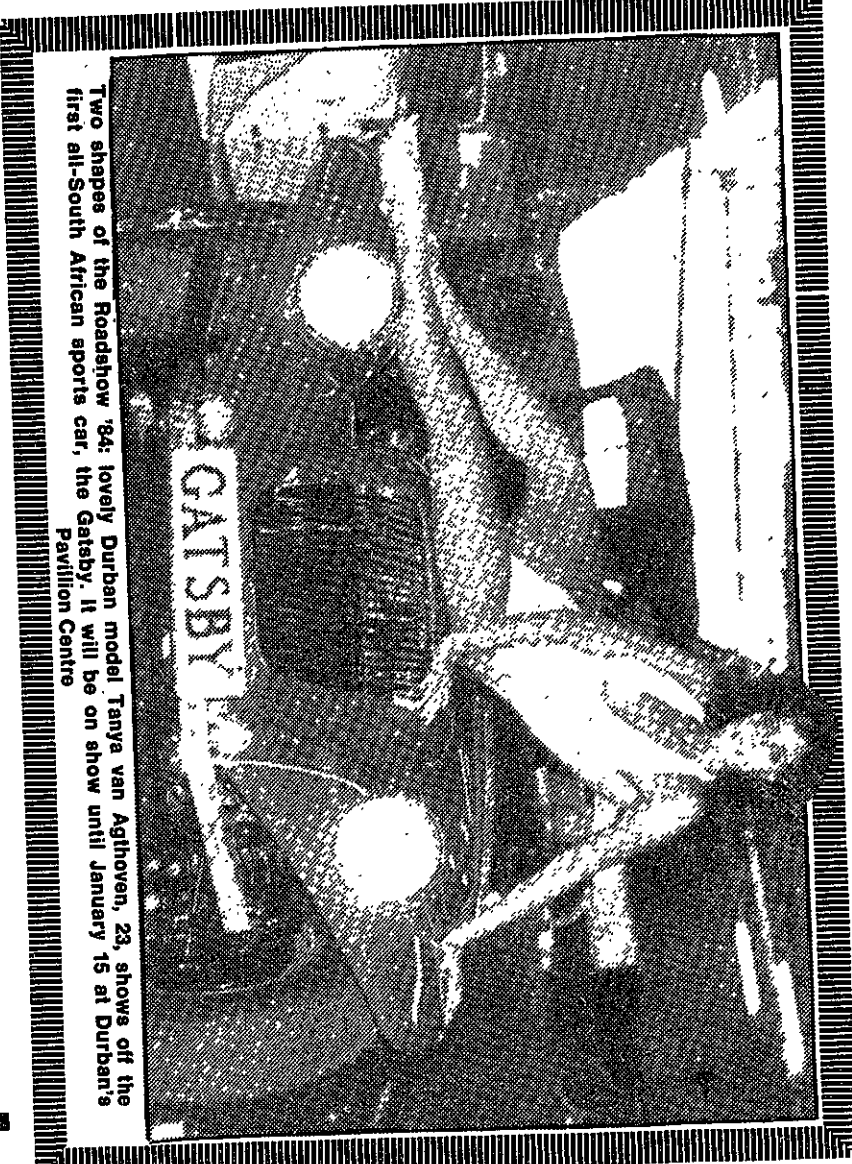
The agency would have to realise that the milk was skimmed, that it would have to be pasteurised and the agency would have to pay for this, that the agency would fetch the milk and distribute it themselves and that it would not be supplied to areas that already had a regular supply of milk from the board.

He said the last milk surplus had been 12 years ago and he did not know if it was a viable proposition for an agency to be established when surpluses seemed to happen so infrequently.

saying if these agencies were formed food need never be destroyed. Also in agreement were the mayors of Amanzimtoti, New Germany and Pine-town.

The assistant public relations manager for National Co-operative Dairies, Kobus Maritz, stressed that the dumped surplus had not belonged to them. "We are only representatives for the Dairy Board."

Earlier in the week, NCD spokesman Steve de Bruin said the milk had to be dumped because distributors had cancelled their New Year milk orders at short notice.



Two shapes of the Roadshow '84: lovely Durban model Tanya van Aglhoven, 23, shows off the first all-South African sports car, the Gatsby. It will be on show until January 15 at Durban's Pavilion Centre

## Housewives plan protest march

1984-01-08

Milk is such a perishable commodity that we really didn't have much choice. Practically speaking, what else could we have done?"

Mr Nutt said the reason Kupugani and other charity organisations were not contacted sooner was because of the New Year weekend when people were hard to get hold of.

"We did offer milk to Brandvlei township on Monday. The residents emptied the tanker but when another tanker was sent on Tuesday morning, all the resident's containers were still full. And they were suspicious of free-milk," said Mr Nutt. Mr Nutt said no one liked dumping perfectly good food but transportation and pasteurisation

But Mrs Hotz has already begun moves to establish the agency. She described the dairy scandal that rocked Natal this week as "a horror story — like a nightmare..."

"I have written to representatives of various bodies and hope we will find a way to form some structure whereby if there is a surplus we can ensure transport."

Mrs Hotz said every city, town and village in the country should have an agency to collect from companies with a food surplus.

"It is criminal, an indictment on us all that good food can be disposed of in this way," Mrs Hotz said.

"I have asked the Dairy Board to let me know if there are any surpluses."

Pietermaritzburg mayor Pamela Reid backed Mrs Hotz's idea.

HUNDREDS of angry housewives intend to march through Pietermaritzburg next Saturday to protest against the dumping this week of 250 000 litres of surplus milk. They hope this will stop further dumping of food.

Chairman of the Housewives's League, Mercia Watkins, said: "I have sent a telegram to the Department of Justice, addressed to the Chief Justice, for permission to stage the march. We will not only be protesting against this week's wanton wastage, but of the dumping of all foods."

She reacted strongly to the suggestion that the milk scandal could have escaped the public's attention had the National Co-operative Dairies contacted the Durrill Sewerage Works.

Pietermaritzburg's Deputy City Engineer, John Robbins, said this week that provided the milk was not fit for human consumption, it could in future be accepted as trade waste and disposed of under controlled conditions at Durrill.

Mrs Watkins said: "I am reacting with fury at the support by the officials of the council to the dumping."

"As to Mr Robbins's reference of milk not being fit for human consumption, what makes milk not fit? In the olden days, we

drank milk from the cow's udder. "Only disease can make it dangerous for consumption and if the milk is diseased surely it would not reach the market place."

"If the NCD or the Dairy Board had contacted us, we most certainly could have found people to take the milk within a short time."

"The reasons that were put forward for this terrible wastage are just not acceptable. The attempts that were made to get rid of the milk were not vigorous enough."

Mrs Watkins also plans to draw up a petition. "People have reacted very angrily to the dumping and we will fight to ensure that this never happens again."

Meanwhile, the dumping has been described by community leaders and politicians as "inhuman, insensitive, criminal, wicked and a damned disgrace."

"We are in the worst drought to have hit the country in years. There are hundreds of thousands of starving people — thousands suffering from kwashiorkor. How can 250 000 litres of good milk just be thrown in the gutters?" the Rev Sol Jacob, National Co-ordinator of The Hunger Challenges the Churches Campaign asked.

"There are several large voluntary food provision agencies that I could have contact-

ed," Mr Jacob, a Methodist minister, said. "Nothing can justify this waste. Representation needs to be made to the Minister of Agriculture to call for the resignation of the Dairy Board official who made this insensitive decision."

Edendale community leader, Professor Sibiso Nyembezi said: "Milk is a basic food and I cannot comprehend how the authorities could allow thousands of litres to be thrown away."

"It is shocking. There are so many people starving because of the drought and other economic pressures."

The Progressive Federal Party's spokesman for agriculture, Mike Farr, said he would ask the Minister of Agriculture for an explanation during the next session of Parliament.

Leslie Weinberg, national chairman of the Kupugani food distributing organisation, said although the Dairy Board had told him of the surplus they had not given him enough time to arrange transport.

"We were told about 4.10pm on Tuesday night to find transport. It was impossible there was nothing that could have been done. We asked two dairy firms for tankers, but were unsuccessful."

Handwritten notes on the left margin: "NOTHING", "drop/water", "exact", "RIS", "ST4", "ST3", "included", "Mkuzapae", "Riis/m", "vaderlike", "day", "note very to", "and overall".

No 9.

BY JOTTLER

No 10

Water Camp Need Come No 10

No 10 Finner

School



# No action to be taken over milk dumping

③ Dairy  
E. Post 11/18/4

Post Reporter

THE Consumers' Association in Port Elizabeth today decided not to take action on the recent dumping of 180 000 litres of skimmed milk outside Maritzburg till the full facts were known.

The dumping of the milk because of over-supply caused an outcry from farmers and charities.

Mrs Thelma Basford, chairman of the association in Port Elizabeth, said the committee, which met today, felt very strongly about this action and disagreed with it entirely.

"We obviously disapprove of it, but at this stage there is little that can be done because the full facts are not known," she said.

Various charitable organisations were invited to collect the milk before it was dumped.

"Apparently, nobody came forward because it was impossible for them to transport the milk," Mrs Basford said.

"It would have obviously been possible for the enterprise to transport the milk but it would have been at their own cost, and they were not prepared to do this.

"They therefore, dumped the milk. What else could they have done with it?"

● The Port Elizabeth branch of the Housewives' League will hold a meeting at 9.30am on Wednesday, January 18, at which the milk issue will also be discussed.

# Contamination caused Peninsula milk to sour

AKGAS 13/1/84 3 Dairy

Staff Reporter

A CONTAMINATED consignment of 10 000 litres of milk, and breaks in the "cold chain" during hot weather led to souring and sweet curdling of milk sold in the Peninsula.

Cape Town's Medical Officer of Health, Dr Reg Coogan, said today that "slacking of standards" had coincided with the introduction of cardboard containers by the dairy industry.

The containers themselves had been cleared and, after exhaustive investigations into milk souring, Dr Coogan said he was "hopeful that we have eradicated the trouble".

The investigations and "a lot of footwork" turned up a farmer who cleaned his machinery with infected water. This soured his production which, in turn, affected an entire tanker shipment of 10 000 litres supplied from that area.

### Survived

Though the tanker was sterilised after the delivery, the spore-bearing organisms in the shipment survived pasteurisation, resulting in the bitter taste in milk delivered in October/November.

At the same time there were "definite breaks" in the cold chain and the temperature at which the milk was loaded into tankers was found on a "couple of occasions" to be above the legal limit of 10 deg C.

This "slacking of standards" coincidentally occurred at the same time that dairies introduced the cardboard containers.

"There were further breaks at the dairy level and at shop level during the recent hot weather before the milk reached the public and it appears that a culmination of factors led to sour milk on a number of occasions being distributed to a wide area," Dr Coogan said.

As a final test his department had now placed samples of milk in bottles, plastic sachets and cardboard containers and were monitoring the results.

Today the milk in all the containers was nine days old — and all right — Dr Coogan said.

By GERALD REILLY  
Pretoria Bureau

CONSUMERS can brace themselves for a series of food price shocks in the first half of the year.

These include likely increases in the prices of dairy products, bread, sugar and maize.

This week the dairy committee of the Transvaal Agricultural Union met and, it is understood, will recommend to the National Dairy Committee of the SA Agricultural Union that an early meeting be arranged with the Minister of Agriculture, to demand a rise in the producer price of milk.

The national committee recommended a price rise last November, but this was rejected by the Dairy Board on the ground that there was a milk surplus and the time was not right for a price adjustment.

However the Minister gave the industry an assurance last year that from now on the milk price would be ad-

14/11/84

RAND DAILY MAIL, Sat

# Big food price shocks on the way for SA

~~Sugar~~ (3) Dairy  
~~Maize~~ (3) Meat

justed early in January.

The TAU's milk committee is expected to be strongly supported by the other provincial milk committees in its demand for an immediate price rise.

The consumer price of milk was increased last year by 7,5c/l. In July producers were granted a 3c/l increase and distributors 2,5c/l.

Then in November, distributors increased their margins by another 2c/l.

The bread price will also almost certainly be raised

long before the middle of the year.

Justification for a price increase is "overwhelming", according to Pretoria sources.

The issue is now with the Cabinet. It will either sanction an increase in the bread subsidy — which is considered highly unlikely — or a price rise.

An increase in the producer price of sugar is expected during the first quarter of the year. The general manager of the SA Sugar Association,

Mr Peter Sale, said application for an increase was submitted last year.

The last increase was granted a year ago. Since then, Mr Sale said, there had been big rises in costs in the industry.

A maize price rise is also certain in May. Producers were dissatisfied with last year's 9% increase.

And if maize rises, price increases for a whole series of foods will follow — meat, poultry, eggs and pork among them.

# Outcry over spilt milk

3 Dairy  
204  
16/1/54

## Mail Correspondent

MARITZBURG — Mr Danie Schutte, nominated MP for the National Party, met 200 placard-waving women at the weekend on a march through the rain-soaked city in protest against the recent dumping of 250 000l of milk.

Mr Schutte was handed a letter to take to Parliament calling for a ban on the dumping of foodstuffs.

Various consumer and social welfare organisations reacted angrily when vast quantities of surplus skimmed milk were dumped on isolated farm roads near Maritzburg and Mooi River over the New Year.

The women, carrying placards bearing slogans such as "Dumping out — love in for those who go to bed hungry and cold", marched four abreast from the city hall.

Mrs Mercia Watkins, chairman of the Natal branch of the Housewives League and one of the principal organisers of the march, said in handing over the letter to Mr Schutte that such waste of food had to be stopped.

"We ask Parliament to look into the possibility and implications of making it illegal to dump foodstuffs." She said afterwards she was pleased with the march turnout, the first of its kind in the city, despite the downpour.

Mrs Elsie Schreiner, president of the National Council of Woman and one of the protesters, blamed the Dairy Control Board for not planning better use of "surplus" milk.

"There is no such thing as a surplus of foodstuffs in a country suffering from malnutrition and hunger," she said.

"Rather, there is too much food in the wrong places," she said.

# Housewives to protest over milk dumping

3 Dairy  
Post

Post Reporter

18/11/84

THE Housewives League in Port Elizabeth decided today to write to the Department of Agriculture to object strongly to the recent dumping of 22 000 litres of milk outside Maritzburg.

Mrs Jacky Smith, chairman of the league, told the meeting today it should be made illegal to dump any form of food that could be put to better use.

Surplus food, she said, should be given to charitable organisations who were crying out for it.

Mrs Smith said that because the "tragic incident" of the milk dumping did not happen in the Port Elizabeth area there was not much that the local league could do about it.

"But I shall certainly write to the Department of Agriculture and let them know our feelings," she said.

The meeting agreed that instead of dumping the milk, it would also have been better for the public, as well as more profitable for the co-op concerned, if the surplus had been released at a reduced price.

● The league also discussed the drastic increase in school uniform prices this year.

Several members said they felt it would be a good idea to standardise all uniforms to reduce the price, and have a tie and separate badge for the various schools.

If this was not feasible, cheaper quality school clothing should be made available.

JARY 18, 1984

# blamed

BY GERALD REILLY  
and PAT SIDLEY

DAIRY producers will confront the Dairy Board next month with a demand for a substantial increase in the price of milk.

Details of the demand will be discussed at a meeting of the South African Agricultural Union's dairy committee on February 21.

The call for an increase has been greeted with outrage by the heads of two organisations dealing with starving children.

Their anger is set against a background of a countrywide milk and dairy product surplus, two retail price increases during last year, the recent dumping of 180 000 litres of skimmed milk in a Mariéburg street and a crippling drought in which children are dying of starvation.

Last year, the Dairy Board rejected a further demand for a price adjustment because of the surplus of dairy products. The milk price is no longer controlled, but farmers and dairies consult the Government on price increases.

In Pretoria yesterday, the chairman of the SAALU's milk committee, Dr. Louis Theron, said there was strong justification for a price rise of about 15% as milk producers were awarded only a 3% price increase during last year.

Dairy farmers spoken to, said a price rise well in excess of 15% would be acceptable. Mrs Sally Mollana, president of the Black

25c (24c + 1c GST)

PRICES ELSEWHERE ON BACK PAGE

**LATE**

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# Milk price inc

# demand by farm

3 Dairy 20/1/84

Housewives League, who runs self-help projects among poverty stricken communities, said she was "angered and annoyed".

"Farmers have asked for extra levies on meat — now they want more for milk. It's disastrous in this time of high inflation.

"We (black people) can't afford to buy meat so we have been feeding our families on milk because it is relatively reasonably priced. So an increase would affect the whole family — particularly children."

Mrs Mollana said the drought made matters worse. "Can you imagine what this would do to the high malnutrition rate?"

Mrs Ina Periman, manager of Operation Hunger which is currently feeding more than 600 000 malnourished children, said milk, at the current price, was already a luxury for many.

For poorly paid working urka... who could not get sufficient to... leave and could no longer breastfeed. "consequences of another rise in the milk price would be tragic.

"I understand the farmers' position but basic foods should be free of sales tax and subsidised."

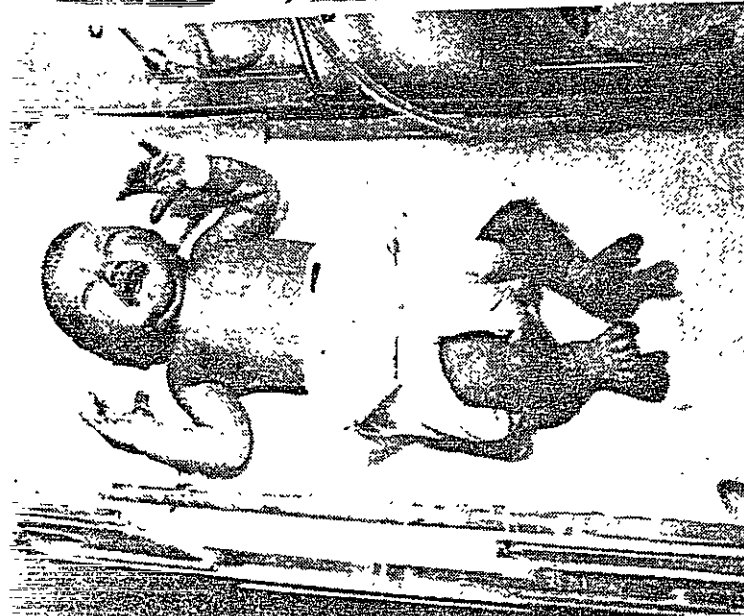
In July last year, Dr Theron said, producers were granted a price rise of 3c/l. But 2c in every litre had to be channelled into a stabilisation fund. In November, when the Government lifted price control on the retail price of milk, distributors raised the price by another 2c/l.

Transvaal milk farmers are demanding a meeting with the Minister of Agriculture, Mr Greyling Wentzel, to protest the lifting of controls on retail prices.

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in the back and right arm. He was taken to the Baragwanath Hospital  
Johannesburg



# Milk powder exports cost SA millions

(3) Dairy Star  
19/11/84

Pretoria Correspondent

The Dairy Board is exporting thousands of tons of skimmed milk powder at a loss of up to R28 million to reduce a massive surplus in South Africa.

The board has so far shipped about 7 000 tons of milk powder to Japan and Taiwan at very low prices and has taken out a R28 million loan from the Land Bank, it is understood, to cover these losses.

But even though the country still has a massive stockpile — enough for 12 months — a leading manufacturer of skimmed milk powder has increased its price by 11 percent.

Consumer organisations today condemned the practice of "dumping" milk powder on overseas markets at a loss of millions of rands, while the local market had to pay more.

The assistant director of the South African Consumer Council, Mr Bernard Hellberg, said "It does not make sense. Manufacturers who think they can win the public's goodwill like this are making a mistake."

## USED IN STOCK FEEDS

Mr Johan Verheem, chairman of the Consumer Foundation, said the money used on export should rather be spent to try to expand the local market.

The manager of the Dairy Board, Mr E Roux, confirmed in Pretoria that about 9 500 tons of skimmed milk powder were being exported to Japan and Taiwan where it would mostly be used in stock feeds.

He said the loss would be met solely out of the Dairy Board's stabilisation fund.

A Dairy Board spokesman said the board aquired a Land Bank loan of R32 million, the biggest part — R28 million — of which was needed because the Dairy Board's stabilisation fund could not cover envisaged export losses.

As from July 1 last year, producers' contributions to the stabilisation fund were increased by 2c a litre for fresh milk and R1,51 per 100 kg for industrial milk to enable the board to repay the Land Bank loan with interest.

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Correspondent

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## Woman guilty of child theft

Own Correspondent

DURBAN — A 32-year-old Indian woman was convicted in the Durban Regional Court today of pretending to be a doctor and stealing a two-day-old white baby girl from its mother at Addington Hospital.

Mrs Kay Gounder had pleaded not guilty before Mr H S van der Walt to one charge of child stealing and another of pretending to be a doctor.

Giving judgment, Mr van der Walt found that Mrs Anna Marie Clark gave birth to a baby daughter at Addington Hospital on May 9 last year.

Two days later an Indian woman dressed as a doctor went to the room

where Mrs Clark was with her daughter Samantha.

She showed interest in the baby and asked if she could borrow the child to show to her professor. She then left with Samantha and did not return.

On May 13 the baby was found by policemen at Mrs Gounder's home in Shalimar Gardens, Tongaat Beach.

The magistrate rejected Mrs Gounder's story that she bought the child from a woman living in Victoria Street, believing it to be an illegitimate baby. He also rejected her evidence that she had not stolen the baby and that she was unaware that it was stolen.

The case continues.

## Smoke — but no fire

There was smoke without fire when scores of people congregated outside Johannesburg's Trust Bank building this morning after a fire alarm.

The Johannesburg Fire Brigade was alerted to a possible fire in the building when workers detected smoke, a spokesman said.

"It was found that a generator was causing the smoke — but there was no fire," the spokesman said.

Battering  
(251)

New Natal dam to be

Woman  
hurt by

# Quotas <sup>(3)</sup> for dairy producers

By Hannes Ferguson,  
Farming Correspondent

Following the establishment of production quotas for maize farmers, dairy producers are also to be bridled by a quota system.

The Dairy Board announced at the Agricultural Outlook Conference in Pretoria today that the market shares of the established milk producers might have to be protected by quotas.

The continued dumping of large quantities of low-grade milk powder constituents on the South African market by European countries has caused a surplus in the dairy industry.

Dairy farmers said that if the Department of Industries and Commerce did not act against the dumping, fresh milk producers would try to protect themselves in order to survive.

The Dairy Board also said that drought-stricken crop farmers had stepped up dairy production, thereby contributing to the surplus.



# Big milk, tea price increases looming

Cape Times 19/1/84

£0.40  
3 DARY

Staff Reporter

**DAIRY producers will confront the Dairy Board next month with a demand for a large increase in the price of milk — and there are further blows in store for consumers.**

Leading supermarkets are stockpiling supplies of tea and coffee in anticipation of major increases in the price of tea and moderate increases in the price of coffee.

Our Johannesburg correspondent reports that details of the dairy producers' demand are to be discussed at a meeting of the South African Agricultural Union's (SAAU) dairy committee in February.

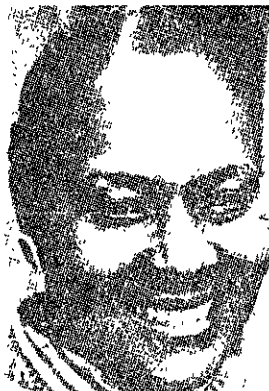
## Milk surplus

The demand is set against a background of a milk and dairy product surplus in most of the country, two retail price increases last year, the recent dumping of 180 000 litres of skimmed milk at Maritzburg and a crippling drought in which children are dying of starvation.

Last year, the Dairy Board rejected a further demand for a price adjustment because of the surplus of dairy products.

In Pretoria this week, the chairman of the SAAU's milk committee, Dr Louis Theron, said there was strong justification for a price rise of about 15 percent as milk producers were awarded only a two or three percent price increase last year.

But dairy farmers spoken to, said a price



Mrs Sally Motlana ... "angered and annoyed".

rise well in excess of 15 percent would be acceptable.

Mr N Basson, chairman of the Western Province Milk Producers' Union, said he would be representing this region at the meeting of the SAAU in February.

Asked if he would be requesting a local price increase at the meeting, Mr Basson said he would have to "review the milk situation at the time of the meeting before making a decision".

However, he also said that when Cape schools reopened there would be an increase in the demand for milk while supplies remained constant.

"This could result in a milk shortage which would force the industry to resort to ways of en-

couraging more milk," he said.

In November, the Dairy Board had not contemplated asking for a national price rise but had decided to review certain areas, he said.

Dr L Tibbitt, Divisional Council Medical Officer of Health, said an increased milk price could "only aggravate the upsurge of tuberculosis".

Milk was an important part of a child's diet because of its protein content and it was essential for the correct functioning of their resistance and immune systems, he said.

## 'Angered'

The president of the Black Housewives' League in Johannesburg, Mrs Sally Motlana, who runs self-help projects among poverty-stricken communities, said she was "angered and annoyed".

"Farmers have asked for extra levies on meat and now they want more for milk. It's particularly bad in this time of high inflation.

"We (black people) can't afford to buy meat so we have been feeding our families on milk because it used to be reasonably priced. So an increase would affect the whole family — particularly children."

Mrs Motlana said the drought made matters worse.

Mrs Ina Perlman, the manager of Operation Hunger in Johannesburg, which is currently feeding more than 600 000 malnourished children, said milk, at its present high price, was already a luxury for many.

For working urban mothers who could not get much maternity leave and could no longer breastfeed, the consequences of another rise in the milk price would be tragic.

Operation Hunger was not buying much milk to send to hard-hit areas as the price was already too high. Mrs Perlman said the increase could filter through to clinics.

## Tea shortage

Meanwhile, a spokesman for a leading supermarket chain in Cape Town said consumers who were at present paying R1.75 for 100 high-quality teabags could expect to pay more than R2 for the same product in July or August.

He said there were serious shortages of tea locally because of crop failures in Sri Lanka and increased consumption of tea in India.

In addition to these impending increases, a recent 10 percent increase in the millers' price of maize has followed "mismanagement" which added R40-million to the price of imported maize.

The Housewives League of South Africa has demanded that this increase should be only a temporary measure.

# Milk price set to go up again

3 Dairy Star  
26/1/84

## Farming Correspondent

Consumers may have to pay more for milk as milk powder ingredients continue to be dumped on the market.

A Dairy Board spokesman said European countries were still exporting heavily subsidised milk powder ingredients and skim milk powder to South Africa.

The Department of Industries and Commerce had allowed their importation under the label of "industrial" milk powder.

## HEALTH

They were used for human consumption as milk "blends" — circumventing health regulations.

The spokesman said as their origin and composition were unknown, they could cause serious health hazards.

Dairy industry sources said about 10 000 tons of milk powders had been dumped since last year

and the board had been forced to export 9 500 tons of high quality skim milk powder at a heavy loss.

To finance that loss, it had imposed a levy of 2c a litre on all fresh milk, thereby increasing the costing structure of milk.

## LEVIES

Agricultural economists said that if the department did not stop the dumping, further levies were inevitable — with consumers having to foot the bill.

Another cause of the milk powder glut was the increased milk production by crop farmers who tried to recoup part of their drought losses by feeding their failed crops to cows.

However, dairy farmers said that without the dumping of subsidised European milk powders on the market, the dairy products surplus would have been of much more manageable proportions.

system power...  
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 • That licences be taken out of the Book of Life  
 • That there be a total re-issue of licences  
 • That this be done at intervals, and  
 • That it be made compulsory for drivers to carry their licences

# Milk exports lose R21m Dairy Board

THE Dairy Board is exporting thousands of tons of skimmed milk powder at a loss of R21-million, the general manager Mr Edu Roux confirmed in Pretoria yesterday.

He said the board had decided to export 9 700 tons of

powdered milk to reduce the existing milk surplus for which there was no economic market in South Africa at present.

The bulk of the powdered milk was being sold to Japan and Taiwan for animal feed. Mr Roux said that unlike other parts of the world

where government subsidies enable countries to export products at a third of the domestic price, the SA Government did not subsidise dairy exports.

"As a result of these low international prices, the Dairy Board is compelled to

keep its export prices very low to remain competitive in the international market," he said.

Mr Roux said reports last week that the Dairy Board stood to lose R28-million from the deal were incorrect. The total loss involved was only R21-million. — Sapa

## It pays Vorster

The Leader of the Opposition, Dr Frederik van Zyl Slabbert, seconded the motion.

Dr Andries Treurnicht, leader of the Conservative Party, and the leader of the New Republic Party, Mr Vause Raw, associated their parties with the motion.

The House also unanimously accepted a motion proposed by the Prime Minister expressing its sympathy with the relatives of the former PFP MP for Pinetown, Mr Harry Pitman, who died late last year.

## new session

Pen?"

just nodded and pointed to the his hand.

appointed Minister of Man- du Plessis, was cheered two Deputy Ministers when produce legislation for the first ministerial capacities.

former Minister of Energy and replaced Mr Fanie Botha during the recess.

Ministers were Mr Louis and Mr Jan Wilkens (De- Land Affairs). The two posts held by Mr Barend du Plessis, Education and Training, and er Walt, who retired. — Sapa

## CP opposes motion on Fanie Botha

Political Correspondent

THE ASSEMBLY. — The Conservative Party yesterday opposed the introduction in Parliament of a motion by the Prime Minister, Mr P W Botha, in which he expressed appreciation for the contribution of the former Minister of Manpower and Leader of the Assembly, Mr Fanie Botha.

Mr Botha asked for leave to introduce the motion without first giving notice of his intention. The motion was seconded by the Leader of the Opposition, Dr Frederik van Zyl Slabbert.

The CP's chief whip, Mr Jan Hoon, opposed the introduction indicating that the CP opposed the motion because of the circumstances which gave rise to Mr Fanie Botha's resignation.

Mr P W Botha then said he would introduce the motion on Monday.

## 1984 Budget due in March

THE ASSEMBLY. — The 1984 Budget would be introduced on March 28, the Leader of the House, Mr Hendrik Schoeman, said in the Assembly yesterday.

The Additional Appropriation Bill would be read on February 16, and the Part Appropriation Bill on February 28, he said.

The debate on the Transport vote would start the next day, on February 29, and the Posts and Telecommunications vote on March 13.

The additional Transport and Posts and Telecommunications' Bills would be introduced on February 29 and 22, respectively.

He also announced that the Assembly's Easter recess would be from April 13 to 24. — Sapa.



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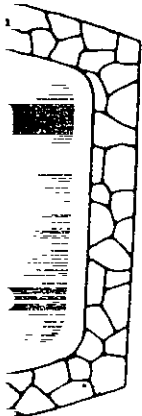
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ever, it can be resorted and resubmitted for health clearance. No further steps are taken;

(3) no.

③ Dairy Hansard Q. 61.19  
Dairy products 1/2/84

\*18. Mr R W HARDINGHAM asked the Minister of Agriculture:

- (1) Whether regulations relating to the importation of dairy products were contravened in 1983; if so,
- (2) whether any prosecutions followed; if so, (a) what sentences were imposed in each case and (b) what are the names of the (i) firms and (ii) persons involved?

†The MINISTER OF AGRICULTURE:

(1) Yes.

(2) Yes.

- (a) Judgment in two prosecutions is expected on 9 and 20 February 1984 at Cape Town and Germiston. The trial dates for two further prosecutions have not yet been determined.
- (b) (i) and (ii)  
IPM (Pty) Ltd—Johannesburg  
Gattis Icecream (Pty) Ltd—  
Cape Town  
Names of other persons are *sub judice*.

under his control did this research and how long it took? [Interjections.]

†The PRIME MINISTER: Mr Speaker, I am not prepared to satisfy the hon member's curiosity in this way. [Interjections.]

†Mr H D K VAN DER MERWE: Mr Speaker, further arising out of the hon the Prime Minister's reply, I want to say to the hon the Prime Minister that until he... [Interjections.]

†Mr SPEAKER: Order! The hon member is not allowed to say things now. He is only allowed to put questions.

†Mr H D K VAN DER MERWE: Mr Speaker, then, arising out of the hon the Prime Minister's reply, I want to put the following question to him: Does he not think it is fair that the electorate should be informed of the contents and the scientific validity of the findings which the hon the Prime Minister made available so freely to the electorate? [Interjections.]

†The PRIME MINISTER: Mr Speaker, the electorate were informed, with disastrous consequences for the hon member. [Interjections.]

†Mr S P BARNARD: Mr Speaker, further arising out of the hon the Prime Minister's reply, will the hon the Prime Minister not make the information which was obtained by means of the taxpayers' money, available to us as members of this House? Will he tell us whether this information is confidential or whether it is possible for members of this House to inspect it?

†The PRIME MINISTER: Mr Speaker, if the hon member reads his newspapers better, he would have known that I furnished a great deal of that information to the country.

†Mr S P BARNARD: Mr Speaker, further arising out of the hon the Prime Minister's reply, will he tell us whether we should in future judge the actions of the Government only by what we read in the newspapers? [Interjections.]

†The PRIME MINISTER: Mr Speaker, I

can understand that the hon member is in difficulty, because the newspaper which he read is dead. [Interjections.]

†Mr SPEAKER: Order!  
Mooi River/Mgeni emergency water supply project

\*1. Mr D P A SCHUTTE asked the Minister of Environment Affairs and Fisheries:†

(1) (a) What progress has been made to date with the Mooi River/Mgeni emergency water supply project and (b) when is it expected that the project will be completed;

(2) whether it is the intention to convert this project into a permanent water supply project; if not, why not; if so, what is contemplated in this regard;

(3) whether it is contemplated to build dams on the Mooi River; if so, (a) where and (b) when;

(4) whether his Department is contemplating other projects in the short term to supply water to the Pietermaritzburg/Durban area; if so, what projects?

†The MINISTER OF ENVIRONMENT AFFAIRS AND FISHERIES:

(1) (a) The scheme is already operational since 5 January 1984.

(b) Expected 31 March 1984.

(2) Yes, but only in the medium term in order to postpone the construction of the Umkomas/Midmar Dam link system as long as possible.

(3) (a) and (b) Feasibility studies are still being done on a number of possible dam sites in the upper reaches of the Mooi River and its tributaries as well as on a possible dam at the site of the existing weir.

(4) No.

Mr G B D McINTOSH: Mr Speaker, arising out of the hon the Minister's reply, will he tell us when this Mooi River / Mgeni emergency water supply project was first designed?

The MINISTER: Mr Speaker, the hon member must please table that question

Mr G B D McINTOSH: Further arising out of the hon the Minister's reply, perhaps the hon the Minister is not aware of the fact that this scheme was designed 17 years ago. [Interjections.] I should like to ask the hon the Minister why this project was only implemented this year at very short notice and at great expense when it could have been done 14 years ago which was the recommendation of his department?

The MINISTER: Mr Speaker, at that stage the deviation scheme from the Mooi River was not necessary. It became necessary because of the drought and that was why we took this step. That is the answer in brief.

Mr G B D McINTOSH: Mr Speaker, further arising from the hon the Minister's reply, why then did his Department think it was necessary 12 years ago and the Cabinet decide that it was not necessary?

The MINISTER: Mr Speaker, the Department plans very well ahead in respect of all the water schemes in this country. Everything depends upon the money available and whether or not it is necessary to implement such schemes before such schemes are needed. I want to repeat that at that stage it was not necessary to deviate water from the Mooi River to Durban. During the drought it became necessary to do so and that was why we implemented the scheme, sooner than was anticipated.

Mr G B D McINTOSH: Mr Speaker, further arising from the hon the Minister's reply, does he believe that the deviation of the water from the Mooi River under this emergency scheme will in fact lead to the lifting of restrictions in Natal during the next 12 months?

The MINISTER: Not at this stage, Sir.

3 Dairy Surplus milk 1/2/84  
Household Q. Col. 6  
\*2. Mr D P A SCHUTTE asked the Minister of Agriculture:†

(1) Whether his Department (a) has received representations and (b) has been consulted in connection with surplus milk dumped near Pietermaritzburg recently; if so, (i)(aa) from which bodies or persons were the representations received and (bb) what was the nature thereof, (ii)(aa) by which bodies or persons was his Department consulted and (bb) what was the nature of this consultation, (iii) which body or person was responsible for the dumping of surplus milk, (iv) what quantity of surplus milk was dumped and (v) what circumstances led to the dumping;

(2) whether his Department is contemplating or has taken steps to prevent a recurrence of incidents of this nature; if not, why not; if so, what steps;

(3) whether he will make a statement on the matter?

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

(1) (a) Yes. (b) No.

(i) (aa) Housewives' League of South Africa and National Council of Women of South Africa.

(bb) Concern has been expressed over the destruction of surplus milk and a request has been made that steps be taken for the distribution of such surpluses to other areas in the event of the recurrence of similar circumstances in the future.

(ii) (aa) and (bb) fall away.

(iii) The National Co-operative Dairy

ies acting on the instruction of the Dairy Board.

(iv) Approximately 250 000 litres skimmed milk were destroyed over 6 days during new year holiday period.

(v) In terms of the Dairy Scheme, fresh milk which is surplus to the requirements of the distributors, becomes the property of the Dairy Board. Such surplus milk is sold to best advantage for the benefit of the milk pool and is normally delivered to industrial factories at the price for industrial milk.

Due to the increase in the production of industrial milk during 1983, the factories could not accommodate all the surplus milk notwithstanding the fact that they operated 24 hours per day over the new year period. On 28 December 1983, when the Board started with arrangements for the new year's weekend milk deliveries, it was learned from the distributors that they would purchase considerably less milk than usual due to the outflow of holidaymakers brought about by bad weather conditions at the coast. After all possible allocations to industrial factories as far away as the Orange Free State and Transvaal have been made, the Board's Area Office realized that certain quantities of milk could not be marketed or processed and due to the short notice, had to make arrangements for separation facilities so that at least proceeds could be derived from the cream. The Board subsequently requested Co-operative Dairies to separate on behalf of the board, the fresh milk for which no market could be found and to dispose of the skimmed milk at its discretion.

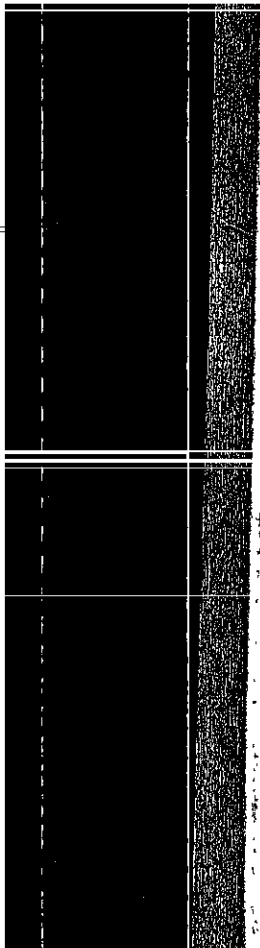
Attempts were actually made to make the skimmed milk available for human consumption.

The milk was offered to the Kugugani organization but it could not be handled due to the short notice. The National Co-operative Dairy donated some 6 000 litres to consumers in a Black area near Mooi River but when the donation was repeated the next day, there was hardly any response to the offer.

The board does not have facilities at its disposal to sporadically pasturize, chill and keep such a quantity of surplus milk under chilled conditions. Apart from the fact that pasturization brings about further costs, it would, due to the lack of packing material and transport, not be possible for the Board to sporadically make surplus milk available to consumers in other areas.

(2) and (3) I share the hon member's concern that food had to be destroyed in this manner, but as I have already explained, the Board and the distributor concerned, did everything possible to make the surplus milk available for human consumption without any success.

My Department is not equipped and does not have the funds available to handle the distribution of surplus food and can therefore unfortunately not get physically involved in steps to avoid such exceptional occurrence. The Dairy Board is, however, in close contact with all welfare organizations and I have been informed that the Mayor of Durban, for example, envisages to establish an organization which can be contacted at short notice to collect surplus agricultural products for distribution to the less privileged. I regard this as a very praiseworthy idea which I hope will be successful.



4/2/81  
(3) Dairy Mercury

# Kupugani's milk denial

## Pietermaritzburg Bureau

KUPUGANI, the outlet for low-cost, nutritious food in Pietermaritzburg, yesterday strongly denied that surplus skimmed milk which had to be dumped during the new year had been given to the organisation.

The national chairman of Kupugani, Mr Leslie Weinberg, reacted to reports this week which quoted the Minister of Agriculture, Mr Greyling Wentzel, as saying some of the milk had been given to Kupugani and

6 000 l. donated to consumers in a black area near Mooi River.

'We would like to put the record straight that in fact the milk was not given to us. It was offered to us but only in the late afternoon and because we did not have the necessary containers we were unable to distribute it,' he said.

In reply to a question by Mr Danie Schutte, nominated Nationalist MP, Mr Wentzel said an exodus of holidaymakers from the Natal coast, be-

cause of bad weather, had led to the dumping of about 250 000 l. of skimmed milk.

The Opposition spokesman on agriculture, Mr Errol Moorcroft, says he has tabled further questions about the dumping of milk.

He told the Mercury the dumping was 'inexcusable'.

'We are greatly concerned about the state of the dairy industry and problems which have arisen as a consequence of alleged mismanagement of certain dairy products.

'When an essential foodstuff such as milk is over-produced, for whatever reason, we believe these surpluses could and should be redistributed among needy communities.

'And when the average daily per capita consumption of fresh milk in Soweto is something like 5 cc then one should talk about under-distribution rather than over-production,' Mr Moorcroft said.

# Over-production of milk — action taken

(3) Dairy E. Post 6/2/84

By CLAIRE PICKARD-CAMBRIDGE

AN over-production of milk in the Port Elizabeth supply area over the past few months has led to an announcement by United Dairies, the area's sole fresh milk distributor, that it cannot accept new member producers "for the time being".

However, farmers' fears that United Dairies could not cope with the surplus were allayed today by Mr Alec Lahoud, assistant general manager of United Dairies in Port Elizabeth, who said they were coping with all the milk received from members.

"Excess milk is simply being sent to the chocolate factories or being converted into milk powder," he said.

He confirmed that milk supplies had been considerably higher over the past few months in comparison with the same "flush" period last year.

According to a circular dated January 12, the daily average production for December was 337 471 litres — 20 676 litres more than the corresponding period last year.

Mr J K Scheepers, chairman of the United Dairies Co-operative, said today it had been necessary to suspend the acceptance of new members as a means toward "stabilising the industry".

The big influx of industrial milk had been partly attributable to the fact that crop farmers, with no other source of income during the drought, saw milk production as a way of receiving an immediate income.

But he said he did not want to discourage new producers because there were other outlets for milk such as cheese and chocolate factories.

"Fluctuations are quite normal in this industry and there has, in fact, been a decrease in the milk supply over the past two weeks due to dry conditions."

Mr Colin Fox, president of the Jersey Breeders Society of South Africa, said he thought it "only fair" that United Dairies suspend the acceptance of new members while there was a milk surplus.

Established farmers who had been supplying milk to United Dairies on a constant basis should "not be penalised by creating more surpluses through taking on new members".

"There are many farmers today who are in and out of dairying like yo-yos and only do it when it suits them," he said.

"Whenever there is a drought and they cannot plant vegetables or crops, they supply milk and for these reasons surpluses are created."



Official visits

134 Dr F A H VAN STADEN asked the Minister of Internal Affairs:†

Whether he paid any official visits abroad in 1983; if so, what (a) were the dates and was the (b) duration, (c) cost and (d) purpose of each visit?

The MINISTER OF INTERNAL AFFAIRS:

No (a), (b), (c) and (d) Fall away.

TUESDAY, 7 FEBRUARY 1984

†Indicates translated version.

For written reply:

Crown Mines site: sports centre

22. Mr D J DALLING asked the Minister of National Education:

(a) What progress was made in 1983 in developing a national sports centre at the Crown Mines site and (b) what further progress is it anticipated will be made in 1984?

The MINISTER OF NATIONAL EDUCATION.

(a) The proposed national sports centre forms part of a proposed complex comprising also the new headquarters of the Witwatersrand Agricultural Society, a theme park, etc. All sharing the same infrastructure. A master plan has been drawn up for a National Sport, Recreation and Exhibition Centre under a Steering Committee, appointed by the Cabinet, and which is in the process of converting itself into a non-profit making company. The erection of facilities by the Witwatersrand Agricultural Society resulted in considerable progress being made with the creation of the

†Indicates translated version.

For written reply 6/2/84  
Hans and Q. 61. 53  
Registration of Newspapers Amendment Act

37. Mr D J DALLING asked the Minister of Internal Affairs:

(1) Whether any of the provisions of the Registration of Newspapers Amendment Act No 98 of 1982, have come into operation; if so, which provisions; if not, why not;

(2) whether it is anticipated that the said Act or any of its provisions will come into operation in the near future; if so, (a) when and (b) which provisions?

The MINISTER OF INTERNAL AFFAIRS:

(1), (2)(a) and (b) Section 3(b) came into operation on 1 May 1983. As indicated in my reply of 18 February 1983 to Question No 4 the promulgation of the remaining sections of the Act is kept in abeyance in order to give the Media Council, which was instituted on 1 November 1983, the opportunity of proving itself.

Subsidies Hans and Q. 61. 53 7/2/84  
3 Deuring  
46 Mr E K MOORCROFT asked the Minister of Agriculture:

What amount was paid out in subsidies in respect of (a) bread, (b) maize and (c) butter for consumer use in the 1982-83 financial year?

The MINISTER OF AGRICULTURE:

(a) R193 455 000.

(b) R69 945 000.

(c) R929 904

③ Dairy Handcard  
Q. No. 129 Milk-powder 10/2/84  
99. Mr D J N MALCOMESS asked the  
Minister of Agriculture:

- (1) How much milk-powder was (a) produced and (b) sold in the Republic in 1981, 1982 and 1983, respectively;
- (2) whether milk-powder was imported in these years; if so, (a) by whom, (b) from what country or countries and (c) at what price in each case;
- (3) whether any South African individuals or companies acted as agents in any of these transactions; if so, what are their names;
- (4) whether milk-powder is being exported at present; if so, at what price;

- (5) whether any South African individuals or companies are acting as agents in such current transactions; if so, what are their names;
- (6) whether this milk-powder is being exported at a loss; if so, (a) what is the nature of the loss and (b) how will this loss be recouped?

The MINISTER OF AGRICULTURE:

- (1) (a) 1981: 30 693 ton.  
1982: 33 492 ton.  
1983: 36 257 ton.  
(b) 1981: 34 759 ton.  
1982: 23 019 ton.  
1983: 29 176 ton.
- (2) Yes.
  - (a) The Dairy Board issued permits during 1981 and 1982 for the importation of milk-powder to private concerns.

- (b) and (c) In view of the fact that the imports were undertaken by private concerns, the countries of origin and prices are unknown.
- (3) The arrangements made by the private importers are not known.
- (4) Yes, at approximately 650 Dollar (USA) per ton.
- (5) No. The Dairy Board makes use of international organisations.
- (6) Yes.
  - (a) Approximately R2 200 per ton (Unlike certain other countries, export milk-powder is not subsidised in South Africa.)
  - (b) The loss is made good from the Stabilisation Fund of the Dairy Board.

3 Dairy ~~Board~~ *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)

129

FRIDAY, 10 FEBRUARY 1984

130

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.

3 Dairy Hansard Q Col. 259  
Milk powder 20/2/84

197. Mr H H SCHWARZ asked the Minister of Finance:

What (a) total quantity of milk powder was (i) exported and (ii) imported from 1 April 1983 to the latest specified date for which figures are available and (b) was the value of the milk powder (i) exported and (ii) imported during that period?

The MINISTER OF FINANCE:

The import and export statistics in respect of milk powder for the period 1 April 1983 to 30 November 1983 are as follows:

- (a) (i) 5 034 052 kg.
- (ii) 5 792 704 kg.
- (b) (i) R5 033 146.
- (ii) R3 947 195.

(3) Dairy Z Post  
27/2/54

## Illegal imports:

## Dairy Board acts

PRETORIA — The Dairy Board will take legal action against anyone suspected of importing skim-milk powder, the manager of the board, Mr Edu Roux, said in Pretoria today.

He said it was illegal to import milk powder without a permit from the Dairy Board and there were several pending cases. More charges were being investigated.

Last week a Bedfordview firm, Dorfi (Pty) Ltd, trading as Hypa Trading, and its executive officer, Peter Shewell, were convicted of illegally importing skim-milk powder from Ciskei.

Illegal imports of skim-milk powder have contributed to the large surplus in the Republic. The Dairy Board had borrowed R28 million from the South African Reserve Bank to reduce the excess. — Sapa

28/2/84

(3-Dairy)  
~~247~~ Hansard  
Milk Q:61.366

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

(a) What was the producer's price of (i) fresh milk and (ii) industrial milk as at 1 June 1983 and (b) what price increases have come into effect in respect of each category since that date?

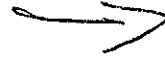
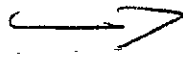
The MINISTER OF AGRICULTURE:

(a) (i)

	Cents per litre
Bloemfontein area .....	35,85
Cape Peninsula area .....	36,35
Natal and Northern Natal areas .....	36,35
Transvaal area .....	36,85
Western Transvaal area .....	36,35

(ii) 2 293c/100 kg for industrial milk with a butterfat content of 3,5% plus an interval adjustment in the basic price of 34c/100 kg plus

or minus for each 0,1% variation in butterfat test above or below 3,5%.



(b) *Fresh milk:*

	Cents per litre from 1 July 1983
Bloemfontein area .....	3,0
Cape Peninsula area .....	4,0
Natal and Northern Natal areas .....	3,0
Transvaal area .....	3,0
Western Transvaal area .....	3,0

*Industrial milk:*

Since 1 July 1983 compensation is based on the quality components of industrial milk at 373 cents per kilogram fat and 373 cents per kilogram protein. The previous basis was amount to 341 cents per kilogram fat and 341 cents per kilogram protein.

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CLOSED SA1

C.T. 2/3/84  
 From page 3  
 Product Association yesterday which pointed out that the present increase would go into the pockets of the producers alone — and that for the moment factories would absorb the inflation on their costs.

The chairman of the Dairy Board, Mr Jan van Vuuren, said in a statement that the increase, approved by the Minister of Agriculture, was "essential to keep fresh milk producers in the industry in the Peninsula area".

The latest estimate had shown that there would be a surplus of only 1.35 percent in the area in 1984/85, while at least 10 percent was needed to ensure that producers could meet the daily need for fresh milk in the area.

**Drought**

Producers argue that because of daily fluctuations in fresh milk demand, a surplus has to be held to cover the demand on busy days.

The 10 percent sugar increase was attributed by the chairman of the South African Sugar Association, Mr Ian Smeaton, to the drought, which affected sugar production last year.

The drought had reduced sugar production by about 800 000 tons, he said. This had had a severe effect on the financial position of the industry, which would have to borrow a further R135-million to cover the expected costs of production in 1983/84.

**Milk, sugar prices to rise**

By MARTINE BARKER

CONSUMERS were struck a double blow yesterday with the announcements that the price of milk in the Peninsula will increase by 4 cents a litre next week and that from today sugar throughout the country is going up 6 cents a kilogram.

Both increases will be carried fully by the consumer.

The proposed increases, which follow the announcement earlier this week that train fares are to rise by between 7,5 percent and 17,5 percent, and the recent bread price increase of 6c a loaf, will hit the poor hardest.

Third-class commuter

train fares will increase by 12.8 percent, while first-class fares will go up by 9.1 percent.

Milk, sugar and bread are basic foods and the sugar price increase is expected to affect some canned foods, such as jams.

Milk, which presently costs 66c a litre if delivered at home, was last increased by 2c in December. The dairies' recommended price to retailers is 69c without GST.

A further increase in the price of milk seems likely in the near future in view of the statement from the Cape Dairy

\*\*\*\*  
 To page 2

**Jobs on spies**

At the outset, the five trainees lost the two "agents" and the "defector" while following them in Melbourne and had to ask the secret service base where they had gone.

They were told the targets were hiding in Room 004 of Melbourne's Sheraton Hotel. Its management had not been warned of the exercise.

The trainees booked into the hotel, spending three days in a room adjoining the agents before being told to move in for the rescue.

The trainees, already with party masks to their identities, asked for equipment, including handcuffs, three pistols and two sub-machineguns. They were also told to buy a hammer.

The rescuers then made one dressed as a waiter, one as a waitress and one as a party mask and persuaded the agents to open the door to Room 004.

The group then smashed down the door with the hammer, to the con-

**INSIDE**

TV .....	2	Racing .....	7	Aircraft
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				Business
				Column

# Milk: Cost of dairy products to rise, too

ARGUS 2/3/84 (3Milk) ZEL

Staff Reporter

CHEESE and other dairy products will cost more as a result of the increase granted to farmers of 4c a litre for fresh milk

Prices of cottage cheese and yoghurt will probably be put up next Wednesday to coincide with the new milk prices. According to spokesmen for supermarkets, the prices of other types of cheese as well as skim-milk powder should remain as they are until stocks are replaced.

Neither retailers nor dairymen could provide new prices for milk products today. A spokesman for the dairies said they were still working out how the increased price of fresh milk would affect processing costs. Retailers had to wait for new wholesale prices before they could decide on their selling prices.

When the price increase comes into effect next Wednesday, the price for a litre of fresh full-cream milk will be 65c, plus 4c tax, making a total of 69c if coupons are bought from dairy agents, but it will cost an extra cent if bought directly from milk-delivery men.

Fresh skim-milk is cheaper than full-cream milk.

## Increase defended

Meanwhile, spokesmen for the Housewives' League and the Cape Dairy Products Association defended the milk price increase, saying that if farmers had not been given the increase, local milk production would not have been able to keep up with demand.

Mrs Sheila Baillie, chairman of the Cape Town branch of the Housewives' League, said the increase was justified, and consumers had to realise that the cost of producing milk here was much higher than elsewhere in South Africa, mainly because feed had to be transported over long distances.

She said: "Of course the extra 4c is going to be hard on the consumer. We deplore any increases, because we know that many parents are not giving their children enough milk. But we must support any move which will ensure that enough milk is produced to meet local needs."

Mr Martin Henning, chairman of the Cape Dairy Products Association, said: "The price increase is actually to the advantage of the consumer. There have been definite signs that we could be running short of milk if any more farmers give up milk production or cut back."

● Sugar prices in Cape Town shops should remain at present levels for several weeks in spite of the price increase of 6c a kg.

The 10 percent price increase was necessary because last year's drought had resulted in decreased production, the chairman of the South African Sugar Association, Mr Ian Smeaton, said.

## Editor questioned on source of 'leak'

Argus Bureau  
PORT ELIZABETH - Police have taken a statement from the editor of the Eastern Province Herald, Mr J C Viviers, on the leaking of a Port Elizabeth City Council confidential planning report on the future of an

break a firm undertaking not to reveal the identity of the person who leaked the report.

He said he was then told he could be subpoenaed for examination before a magistrate.

A statement was also



South African born Carl Fortuin reunited with his parents after his release from an Angolan jail this week.

# No regrets after eight-year ordeal — Carl Fortuin

Argus Foreign Service

KETTERING (Northamptonshire). — South African born former mercenary Carl Fortuin, 39, freed from an Angolan jail only days ago, says he would do it all again.

Speaking from his home yesterday he said he had no regrets about his eight-year ordeal other than the distress he had caused his parents.

He said he went to Angola for several reasons, including the money. There were also political reasons.

"The Russians have been trying to get a foothold in Africa for a hell of a long time. I would go and fight against them again."

The bearded Fortuin faced newsmen after selling his story to the mass circulation Sun newspaper, which arranged the reunion with his parents, John and Doris, at a secret rendezvous after his arrival at Gatwick airport.

## WELL-TREATED

During his time in jail, he had a minor heart attack, but said he was treated well by the Angolans and had no complaints.

"But at times I was very, very low. I wrote to my parents that I wished I was dead because I felt it would be better for them that way. I am glad their worry and suffering is over."

Sitting with his parents, he said he was now looking forward to his

"The man had guts. He had no sense of fear. He would do anything, but I didn't agree with his actions."

He said he did not know any of the men Callan was said to have shot or ordered to be killed.

His mother, Doris, 75, who is half blind, said she still found it hard to believe he was home at last. "I was sitting waiting for him to come back. I was full of emotion, and then suddenly he was in my arms. I just thank God he has been returned safely to us."

Carl, an ex-paratrooper, was lured to Angola in 1976 by promises of R260-a-week wages. But he was captured after being left in a forest suffering from malaria and a badly sprained ankle.

## "EXECUTED"

He and nine others were tried and three, including Colonel Callan, were executed by firing squad.

The rest received prison sentences ranging from 16 to 30 years. Carl got 24 years.

The worst moment was in May 1977 after a rebellion in Angola, when the mercenaries were dragged from their cells and lined up against a wall.

"I really did think I was going to be blown away," said Carl. But they were saved by an officer who explained that the rebellion had nothing to do with the mercenaries.



# Wentzel testifies on dairy policy disputes

B/day 20/11/91

(3) Dairy + milk

CAPE TOWN — Former Agriculture Minister Greyling Wentzel admitted in the Cape Town Supreme Court yesterday that he had had repeated disagreements with the Dairy Board over policy during his seven years in office in the 1980s.

Wentzel was giving evidence in the civil action brought by Homestead Independent Dairy against the Agriculture Minister, the National Marketing Council and the Dairy Board to have the milk levy system declared null and void because it is unfair to small independent milk distributors.

He agreed he had tried repeatedly to persuade the board to lower the level of subsidies and levies but the board had been reluctant. It saw its role as being to remove milk surpluses and maintain industry stability through subsidies to butter and powdered milk manufacturers.

Wentzel said in 1988 and 1989 he had had to take the "drastic step" of refusing to approve Dairy Board applications for increases in subsidies on butter and butter fat on the grounds they were unjustified.

In March 1988 the board was informed that in the light of the prevailing supply situation of milk and expected shortage of butter, there was no justification to grant

LINDA ENSOR

R26,8m for butter and butter fat subsidies.

Wentzel said in court the Agriculture Department felt butter should not be subsidised too much as this would benefit certain sections of the industry at the expense of others.

Allegations were made in court that about three quarters of Dairy Board representatives had links with dairy manufacturers and co-operatives.

Homestead's legal representative Advocate W Thring suggested the reason the Dairy Board was reluctant to lower subsidies was because it was not in the interests of those sitting on the board.

Wentzel agreed it was possible this was the reason for the tardiness and admitted there was always the danger manufacturers' interests would hold sway on the board.

Another source of conflict between the department and the board was the use of the stabilisation fund. Thring put it to Wentzel that the board wanted to use the fund for subsidies but Wentzel wanted it used for advertising of milk products which would have benefited the whole industry. Wentzel agreed this was his long-term view.

## Bank 'breached confidentiality'

B/day 20/11/91

THE dispute between sports sponsorship company Tytherley Investments and the SABC and Absa has taken a new turn, with Tytherley director Peter Mancer claiming that Volkskas handed over confidential documents on his financial affairs to Allied Bank without authority.

Mancer and Allied have been in dispute over sponsorships Tytherley handled for the bank before Allied merged with Volkskas and United to form Absa.

Allied's MD Bob Aldworth and Koos Wepener, Absa's senior legal consultant, would not discuss the alleged disclosures with Business Day.

Mancer said that before Absa's new operating divisions were created, Volkskas released confidential information on his financial affairs — including bank accounts, foreign exchange and other private information — to Allied.

Mancer and his attorneys said they dis-

covered the disclosure when Allied inadvertently annexed private documents to a legal reply to Mancer. The reply concerned Mancer's application for R1,5m owed to him by Allied Bank for his part in Allied's promotion of the BOC round-the-world yacht race. Mancer said the attached confidential documents constituted a breach of confidentiality.

Dan Rosengarten of law firm Bell, Dewar & Hall said yesterday that, in drafting its affidavit, Allied Bank had included various documents obtained from Volkskas, which included bank statements, applications for Reserve Bank approval and other documents which dealt specifically with Mancer or his company's private dealings with Volkskas, and this constituted a breach of the banker-customer relationship.

MARCIA KLEIN

Price of milk  
up by ~~27c~~  
3c in <sup>3 days</sup> <sup>Post</sup>  
April 23/84

Post Reporter

ANOTHER price hike will hit Eastern Cape consumers on April 1, when milk will go up by 3c a litre.

The price would rise from 65c a litre to 68c a litre — an increase of 4,76% — Mr Fred Botha, general manager of the United Dairies, said today.

Mr J. K. Scheepers, chairman of United Dairies and the Port Elizabeth Milk Producers Union, said the increase had come in view of the rise of input costs to the farmer and especially because of the 10% increase in the cost of mealies in November, 1983. Mealies made up 60% of food concentrates fed to animals.

He said milk producers had absorbed that increase until now, but could not do so indefinitely.

The dairy industry was anticipating another price rise again this year as farmers were expecting another 10% to 15% increase in the mealie price to be announced later this year, said Mr Scheepers.

The 3c per litre increase would affect only the Eastern Cape.

Western Cape consumers could expect an increase of 4c, and Johannesburg consumers an even higher increase.

The price of a stick of 20 coupons would be established by United Dairies next week, said Mr Botha.

Argus 5/3/84

341K

~~745P~~

# Consumers urged to use skimmed milk powder — 'cheaper and good'

Consumer Reporter  
CONSUMERS have been urged to buy more skimmed milk powder to cope with the increase in fresh milk prices.

Mrs Sheila Baillie, chairman of the Cape Town branch of the Housewives League, said: "Even when the price of skimmed milk is increased, skimmed milk powder will still work out a lot cheaper than fresh milk, yet it contains all the nutrients of fresh milk except the fat.

"Parents should not cut down on milk for their children. They should buy less fresh milk and use more skimmed milk powder."

A spokesman for the dietetics department of the Red Cross Children's Hospital confirmed that skimmed milk powder could be given to children.

### CALORIES

But babies not yet taking solid food should still be breast-fed or given diluted fresh full-cream milk, full-cream milk powder or skimmed milk powder sweetened with sugar to add the necessary calories.

She said: "Skimmed milk, either fresh or dehydrated, contains all the ingredients of fresh full-cream milk, except for the fat in the cream, which is removed.

"Babies need that fat or a high-calorie substi-

tute — if given only skimmed milk they will not gain weight satisfactorily.

"Sugar can be added to a skimmed milk mixture."

40 CENTS

A kilogram of skimmed milk powder, which makes 10 litres of milk when mixed with water, costs about R4, depending on where it is bought — about 40c a litre.

Prices also vary from brand to brand and economies can be made if a 5kg pack is bought. One supermarket sells 5kg for R18,14 including tax, which works out (when mixed) to about 36 cents a litre.

Milk powder blends are cheaper — about R3 a kilogram even when bought in comparatively small quantities.

Though suitable for many purposes and a useful supplement, these blends should not be regarded as substitutes for milk.

A spokesman for a major supermarket said that in addition to milk powder, the blended powders contained other ingredients which did not have the same nutritional value as milk and that he therefore would not recommend that they be used for children and especially not for babies.

# New th in sear

## Two hide after v erupts at weeken

Argus Correspondent

MARITZBURG. — An injured Harrismith SPCA official, Mr Louis Lausberg, and his wife have gone into hiding and a member of the society, Mrs Riza van Schie, 25, has severe internal bruising after ugly scenes at a weekend rodeo in the town.

A videotape shot by Mr Lausberg records Mrs van Schie being butted and trampled by a bull while blood-thirsty "cowboys" shouted: "Slaan hulle dood en sleep hulle uit" (Hit them to death and drag them out).

A copy of the tape is in the possession of

the police at Harrismith and today Mrs van Schie, who is from Johannesburg, will attend an identification parade in the town.

### BRUISING

Speaking from Johannesburg, Mrs van Schie said that she had severe internal bruising.

Mrs van Schie and Mr Lausberg were to monitor the rodeo which featured six "cowboys" from Kroonstad.

She said she was speaking to the convenor, Mr Gary Spilsbury, when she heard a spectator shout that



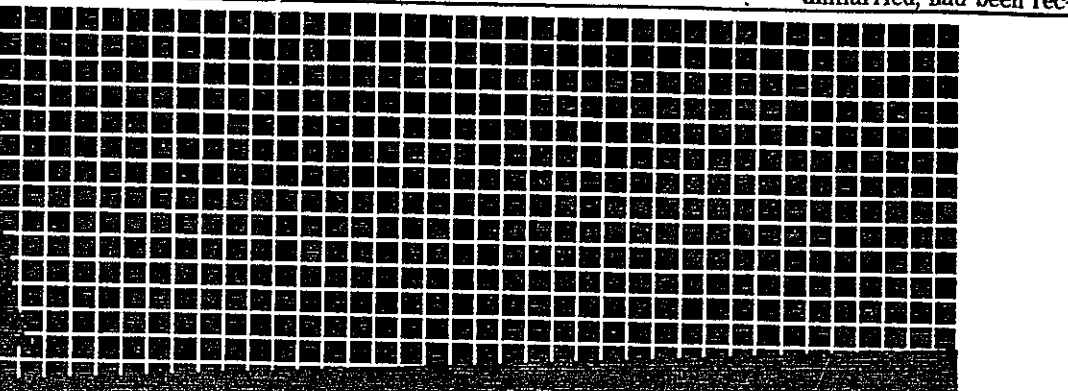
Father Stanley Gray

## Rector of St District Six,

Staff Reporter  
FATHER Stanley Gray, rector of the "klipkerkie" — St Mark's Anglican Church in District Six — has died after a long illness. He was 60.

Father Gray, who was unmarried, had been rec-

HI!  
R  
0%



MONDAY, 26 MARCH 1984

- (4) (a) for what period has the aircraft been accommodated at this airport, (b) how many times has it used the runway during this period and (c)(i) what is the crew complement and (ii) by whom is the crew provided;

†Indicates translated version. **(3)**

For written reply: *Devin*

Value of dairy/meat/wheat products imported  
475. Mr D J N MALCOMESS asked the Minister of Agriculture:

What was the value of the (a) dairy, (b) meat and (c) wheat products imported by the Republic during the latest specific period of 12 months for which figures are available?

The MINISTER OF AGRICULTURE:

- (a) R13 105 490.
- (b) R9 411 796.
- (c) R7 076 076.

The abovementioned amounts represent the total value of imports for the period 1 December 1982 to 30 November 1983 in respect of all the members of the joint Customs Union. The value of imports into South Africa alone is not available.

*Hansard 0 61. 753*  
Ben Schoeman Airport: aircraft belonging to independent Black state *26/3/84*  
10. Mr E K MOORCROFT asked the Minister of Transport Affairs:

- (1) Whether any aircraft belonging to an independent Black state is being accommodated at Ben Schoeman Airport, East London, if so, (a) to which state does it belong and (b) what type of aircraft is it;
- (2) whether charges are levied for accommodating the aircraft at this airport; if so, what are the charges;
- (3) whether maintenance services are provided in respect of the aircraft; if so, at what cost;

- (4) (a) for what period has the aircraft been accommodated at this airport, (b) how many times has it used the runway during this period and (c)(i) what is the crew complement and (ii) by whom is the crew provided;
- (5) whether a certificate of airworthiness in respect of this aircraft has been issued in the Republic of South Africa; if so, (a) where was it examined and (b)(i) what charges were levied and (ii) by whom were they paid?

The MINISTER OF TRANSPORT AFFAIRS:

- (1) Yes.
  - (a) The Republic of Ciskei.
  - (b) A Westwind 2 WW 23 fixed-wing jet aircraft.
- (2) No. An exemption granted in terms of regulation 22.10 of the State Airport Regulations, 1963 applies.
- (3) The aircraft is maintained by a private aircraft maintenance organization. Actual costs incurred are for the account of the Ciskei Government.
  - (4) (a) Since 13 May 1983.
  - (b) On 24 occasions.
  - (c) (i) 2 Members. (ii) Unknown.
- (5) No.
  - (a) and (b) Fall away.

Types of aircraft used on scheduled passenger flights

711. Mr R R HULLEY asked the Minister of Transport Affairs:

- (1) (a) What types of aircraft are used by the South African Airways on scheduled passenger flights between (i) Johannesburg and London and (ii)

4.5% rental concession on value of land and buildings for ten years.

30% rail rebate on outgoing finished products.

10% price preference on tenders.

2.5% subsidy on housing for key personnel.

(4) Yes. A large number of concessions which were granted prior to April 1983, were on an *ad hoc* basis.

*Hansard Q. 61. 919*  
Lebowa Development Corporation  
11/14/84

\*25. Dr W J SNYMAN asked the Minister of Co-operation and Development:†

(1) Whether the Lebowa Development Corporation granted loans to (a) (i) directors and (ii) officials of this corporation and (b) Cabinet Ministers of Lebowa in the latest specified financial year for which figures are available; if so, (aa) to whom, (bb) for what purpose, (cc) what is the capital amount involved in each of the loans and (dd) in what manner are the capital amount and interest being paid;

(2) whether the repayments were made by the due dates in each case; if not, by what amount is each of these persons in arrears in respect of (a) instalments and (b) interest;

(3) whether security was offered in respect of the loans; if so, what are the particulars of the security in each case?

†The MINISTER OF CO-OPERATION AND DEVELOPMENT:

The Lebowa Development Corporation is an autonomous body that functions under its own Board of Directors.

I have requested the Board to submit this question to the auditors of the Corporation and to request the auditors to compile a report about the matter, which will be submitted to me.

Depending on the findings of the auditors as contained in the report that will be submitted to me, suitable steps will be taken.

I want to add that I have supplied the answer to the question that was put to me by the hon member, privately to him. I want to repeat that I, as the responsible Minister, am determined to put a stop to gossip about the Lebowa Development Corporation, and if it cannot be effectively stopped in the way that I have now suggested, I will not hesitate to appoint a commission of enquiry to determine whether any irregularities of whatever nature have occurred.

*For written reply:*

*Hansard*  
Maize consumers in Eastern Cape  
Q. 61. 920 11/14/84  
Mr E K MOORCROFT asked the Minister of Agriculture:

Whether consumers of maize in the Eastern Cape pay the same prices for maize as do those consumers living in the production area; if not, (a) why not, (b) what is the nature of this difference in cost and (c) which consumers pay less?

The MINISTER OF AGRICULTURE:

(a) All buyers, regardless of whether they are in the production area or elsewhere, pay the same basic selling price for imported and locally produced maize, on a f.o.r. sender's station (in the production area) basis. Buyers in the Eastern Cape therefore pay more because of higher transport costs.

(b) The buyer pays rillage as well as sid-ing costs (if any) on maize and the closer he is to the production area, the less he has to pay. Imported yellow maize is also sold on this basis in the present emergency situation and no buyer is therefore, as regards rillage, in a worse position than he would have been had the maize been supplied from the normal distribution points in the production areas.

(c) The consumers in or closer to the production area pay less because of lower transport costs.

Maize landed in East London

558. Mr E K MOORCROFT asked the Minister of Agriculture:

(1) Whether any maize recently imported into the Republic was landed at East London; if so, (a) what quantity and (b) what was the tender price of this maize;

(2) whether the price paid for such maize by Eastern Cape consumers was the same as that paid by inland consumers; if not, (a) why not, (b) what was the difference in cost and (c) which consumers paid less?

The MINISTER OF AGRICULTURE:

(1) Yes.

(a) Approximately 500 000 tons from 1 May 1983 to 29 February 1984.

(b) R153.44 per ton c.i.f. (average tender price).

(2) The buyer pays rillage as well as sid-ing costs (if any) on maize and the closer he is to the production area, the less he has to pay. Imported yellow maize is also sold on this basis in the present emergency situation and no buyer is therefore, as regards rillage, in a worse position than he would have been had the maize been supplied from the normal distribution points in the production areas.

*3 Darry*  
Surplus dairy/meat products  
Q. 61. 921 11/14/84  
722. Mr R W HARDINGHAM asked the Minister of Agriculture:

(1) Whether any surplus (a) dairy and (b) meat products produced in the Republic and marketed through control boards were distributed to (i) the

underprivileged and (ii) welfare organizations in 1983, if so,

(2) what (a) were the quantities and (b) was the estimated total value of the (i) dairy and (ii) meat products so distributed?

The MINISTER OF AGRICULTURE:

(1) (a) No, but the Dairy Board sold skimmed milk powder and cheese at reduced prices to the underprivileged and welfare organizations, as follows:

Skimmed milk powder: From January 1983 until July 1983 at 50c/kg less than the normal selling prices and from August 1983 until December 1983 at R1.00/kg less than the normal selling prices.

Cheese: At 25c/kg less than the normal selling prices.

(b) No, but the Meat Board has since December 1982 made meat available to houses for the aged, children and disabled persons at a discount of 100c/kg on the book value or cost price.

(2) (a) (i) 542 230 kg skimmed milk powder; 15 470 kg cheese.

(ii) 177 tons.

(b) (i) R372 633 skimmed milk powder; R3 867 cheese.

(ii) R177 000.

Soil Conservation Act, No 76 of 1969

723. Mr R W HARDINGHAM asked the Minister of Agriculture:

What is the estimated number of farms in (a) each province of the Republic and; or (b) each ecological region of his Department that remain to be planned in terms of the Soil Conservation Act, No 76 of 1969?

ARGUS 12/1/84  
3 Milk  
Political Staff  
Dumping of citrus fruit is 'a crime against the poor and needy' — MP

THE dumping of tons of citrus fruit in Durban has been strongly condemned and the matter is to be raised in Parliament.

The dumping of the contents of two 8 sqm hoppers every day for the past two weeks by the Citrus Board follows on the controversy earlier this year when the Dairy Board poured 250 000 litres of skimmed milk down the drains in Pietermaritzburg.

Mr Errol Moorcroft, Progressive Federal Party agricultural spokesman, said yesterday: "We condemn this action unreservedly.

"The wanton destruction of food of any kind is a crime against humanity because it is a crime against the poor and needy."

Mr Ralph Hardingham, New Re-

public Party agricultural spokesman, said: "The dumping of foods in a country like South Africa is an absolute disgrace.

"We have the consumer demand which would readily absorb most, if not all of our surplus agricultural products".

Mr Moorcroft said he would put questions to the Minister of Agriculture, Mr Greyling Wentzel, on the order paper in Parliament, and would raise the issue with him.

The Minister was not available for comment today.

Mr Hardingham hopes consumer organisers "will take immediate steps to liaise with the marketing boards to ensure no further dumping of any produce takes place, and that a method will be found to distribute surplus foods".

# Milk price increase expected in July

By Hannes Ferguson,  
Farming Correspondent

Star 28/5/84  
The price of fresh milk may go up instead of down from July 1.

An increase in the Transvaal producer price of about 3 c a litre is expected to be announced on Wednesday, cancelling out most of the 4 c a litre benefit consumers expected from the removal of the GST on milk.

Cape producer prices were already raised by 4 c a litre in February.

The increase has been made inevitable by the rise in costs as a result of the maize price increase.

The Dairy Board claims that, even with the expected increase in producer prices, dairy farmers will be producing at a loss.

Milk distributors claim that they are making a loss of 4 c a litre on delivered milk and only a negligible profit on milk sold in cartons.

## SURPLUSES

To work away the accumulating surplus of milk powder, a levy of about 12 c a litre may be introduced on all industrial milk in excess of present demands.

This will finance expected export losses on whole and skimmed milk powder.

At the same time milk powder products are still being dumped in large quantities on the South African market from Europe, where huge export subsidies are being paid to get rid of milk surpluses caused by the agricultural policy of the European Common Market.

The South African dairy industry has long tried in vain to convince the Department of Industries and Commerce that dumping of milk powder from Europe should be stopped.

*D. Dispatch* (3) Dairy  
28/5/59

# Milk prices to go up this week

EAST LONDON — The local wholesale and home-delivery prices of fresh milk are to be increased by as much as 7,5 per cent from June 1.

This was disclosed yesterday by the chief executive of Model Dairy, Mr G. Stead, who said the move had been forced on his organisation by escalating rises in production and distribution costs.

From June 1 the wholesale price for a litre of milk in a carton will go up from 64c to 67c and milk delivered to homes will increase from 63,5c to 68c.

This represents increases of 4,6 per cent and 7,5 per cent respectively.

At the same time the dairy, which handles ab-

out 90 per cent of the milk trade in East London, will also increase the wholesale and home-delivery costs of fruit juices.

Mr Stead said the wholesale price of a litre of orange or guava juice in a carton will go up from 55c to 57c while the home-delivery price will increase from 55c to 60c.

The prices of fruit youghurt and mass will not be affected.

Mr Stead said the new prices, which come into effect four weeks before the seven per cent GST on milk and other basic foodstuffs is withdrawn, will still put local charges on a par with prices in other major centres.

"We are paying farmers 8c more per litre

than we were 18 months ago," he said "and our last price rise was 14 months back."

Mr Stead said retailers could absorb the price increase themselves and sell milk as a loss-leader like many of the supermarkets did or they could add the recommended 12,5 per cent mark-up to the price they pay.

"Actually, there is such a shortage of local supply that we are having to import an average of 20 000 litres a day from the Alexandria area," he said.

Mr Stead, whose organisation distributes an average of 40 000 litres of milk a day, said the Port Elizabeth region at present has a surplus in milk production. —  
DDR.



GST. Dairy  
dairy 20  
union  
to meet  
D. Perpetua  
28/5/94

EAST LONDON — Members of the South African Milk Distributors Union are to meet in Pretoria today in an attempt to sort out exactly what dairy products are to be affected by the withdrawal of GST.

Among those due to attend the meeting will be the chief executive of Model Dairy, Mr G. Stead, who said yesterday: "We know that GST is to come off milk, but are a bit in the dark as far as butter, cheese and other dairy products are concerned"

"Some sources say that only milk is to be affected while others say the withdrawal of the tax will apply to all dairy products," he said.

"Maybe we'll be able to get to the bottom of the issue in Pretoria," he added. — DDR

# Dismay at increase in milk price

By DIANE CASSERE

CARE TALKS 31/5/84

CONSUMER organizations and heads of supermarket chains yesterday expressed shock and dismay at what one called the "total insensitivity" of an announcement that the price of milk and other dairy products would be increased on July 1, the day that GST rises and basic foodstuffs become exempt from the tax.

The chairman of the Dairy Board, Mr Jan van Vuuren, announced yesterday that the price of milk and other dairy products would be increased by between six and eight percent.

Despite the abolition of GST on these products, their prices will in effect remain unchanged.

Mr Van Vuuren announced at a press conference in Pretoria that the price of milk would increase on average by 6,5 percent (four cents a litre), but could vary from region to region and by packaging size due to distribution and packing costs.

Referring to the implementation of marketing quotas for milk, Mr Van Vuuren said the Dairy Board did not want to encourage the

production of milk when there was no demand for the product.

"As a result, each milk producer who supplies a factory will receive a marketing quota based on his own supply over the past 12 months, as well as a market for dairy products for the coming year."

A levy will be collected from a producer exceeding his marketing quota to enable the board to find a market for the surplus.

Mr Raymond Ackerman, chairman of Pick'n Pay, said yesterday that it was "absolutely diabolical" that the milk price should rise at the same time that GST was removed from basic foodstuffs, of which milk is one.

"This will negate the benefits we have been

fighting for on basic foodstuffs and the timing is so anti-consumerism."

Mr Jan Cronje, director of the Consumer Council, said the announced increase of 4c a litre meant the consumer would have to pay the same price after July 1, despite the fact that GST on milk was to be abolished, as from this date the increase in the maize price caused an increase in the input costs of the dairy farmer.

Mrs Joyce Seroke, vice-president of the Black Consumer Union, said she was appalled that the price of a basic foodstuff had been increased.

"Milk is one of the main proteins sustaining the disadvantaged groups. The removal of

GST will make no difference now."

Mr Gordon Utian, managing director of Checkers, urged the government to put a brake on food suppliers increasing prices "and taking for themselves under the veil of the removal of GST from basics, the savings that should be the consumers'."

Mrs Joy Hurwitz, chairman of the Housewives League of South Africa, urged those people who would now be forced to use milk powders not to confuse these with creamers and substitutes that had no nutritional value.

She said that while the producers deserved an increase — "after two years without one" — the distributors were at liberty to charge what they liked.



The Prime Minister

## Soar

From ORMANDE P LISBON. — Portuguese Minister Dr Mario Soares accepted an invitation to make a historic visit to Africa.

It would be the first visit by a European in many years and appear to confirm his earlier statement that he would like Portugal to have "a more intense relationship" with South Africa in the past.

His acceptance appears to confirm that international community

heartwarming winter specials  
we are open on sat. 2nd. june!

## Girl mauled by neighbour's dog

Own Correspondent

JOHANNESBURG. — A seven-year-old Boksburg schoolgirl is lying in a serious condition in hospital with four fractured ribs, a perforated lung and 115 stitches to her face, arms and body, after being savagely attacked by a Rotweiler dog yesterday.

The victim, Stephanie Webb, of Packer Road, Parkrand, is in the intensive care unit of the Johannesburg Hospital.

Stephanie, a pupil of St Dominic Convent, and a six-year-old friend, Pipa Bowler, were on their way to visit a friend, Zoe Martin, in Packer Road when

crack of dawn

"Bless our dear republic, less 10% GST."

# Milk price to jump 4c a litre

3 Dairy

31/5/84 *Stou*  
The Dairy Board has approved a hefty 4c a litre increase in the price of milk from July 1 — cancelling the advantage of the removal of GST on basic foods.

Butter and cheese prices will be increased by about seven percent then as well.

Board chairman Mr Jan van Vuuren said the price of delivered milk would remain at 66c a litre.

Farmers had been granted a 3c a litre increase and dairies 1c a litre. The price rises were needed because production costs to farmers had soared in recent months.

Mr van Vuuren said quotas would be imposed on dairy farmers from July 1 to discourage milk production for which there was no demand.

A board spokesman said the levy would be a heavy one of between 14c and 18c a litre.

● See Page 3.

# Milk price to jump ~~2c~~ 4c a litre

*31/5/84 Stan*  
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● See Page 3.

**Milk price**  
**rise was**  
**overdue**

*(S) Dairy*  
*Jan 31/5/84*

While an increase in the producer price of dairy products was overdue, the semi-controlled rise in the distributors' price margin was not, the president of the Housewives' League, Mrs Joy Hurwitz, said last night.

A price was either controlled or it was not, and it was high time that producers were allowed to distribute their milk themselves, she said.

She warned consumers not to buy low-quality milk powders and blends because they might contain imported ingredients which are harmful to children.

Mrs Hurwitz stressed the necessity of introducing a registered South African dairy mark, modelled on the Woolmark and the Citrus Seal, as proof of a product being of high quality South African pure milk origin.



Farmers could start dumping soon

# Surplus <sup>3</sup> Dairy milk may not go to the starving

By Colleen Ryan

Surplus milk may be poured away when a new quota system for farmers comes into force from July 1, but welfare bodies say the surplus should be given to the starving.

The warning about likely dumping has come from the director of the Consumer Council, Mr Jan Cronje.

The national director of Operation Hunger, Mrs Ina Perlman, has appealed to the Dairy Board to pass on all milk surpluses to the Food Bank.

Thousands of litres of milk have been dumped in the veld in the past.

The Dairy Board announced the quota system earlier this week to discourage overproduction.

A levy of from 14c to 18c a litre would be imposed on farmers who exceed their quotas, said a spokesman for the board.

Mrs Perlman said the Food Bank had a nationwide network capable of handling food surpluses.

"I hope that instead of dumping, producers will contact us so we can make arrangements to distribute the milk," she said.

She said the Citrus Board and Potato Board had been extremely co-operative in giving surplus food to Operation Hunger.

"We appeal to the Dairy Board to follow their example," she said.

The general manager of the Dairy Board, Mr Eddie Roux, said there was a 10 000-ton surplus of powdered milk, a 2 000-ton surplus of cheese and a 1 500-ton surplus of butter.

"Farmers would be stupid to dump milk," said Mr Roux. "They can curtail production by feeding their cows less."

The Dairy Board this week also announced a 4c-a-litre increase in the price of fresh milk — cancelling the advantage of the removal of GST on basic foods.

The price of butter will rise by 14,7 percent and cheese by 7,4 percent.

● To contact Operation Hunger in Johannesburg, telephone 339-2381 or 724-4441.

*D. V. D. P. M. S. 5/6/84*

# Dairy Board hikes <sup>3</sup> Dairy do not affect EL ~~EL~~

EAST LONDON — The local wholesale and home-delivery prices of fresh milk would not be affected by the six to eight per cent increases announced by the Dairy Board and due to come into operation on July 1.

This was made clear yesterday by the chief executive of Model Dairy, Mr Geoff Stead, who said: "East London falls outside the jurisdiction of the Dairy Board and does not have to implement its general increases."

Local wholesale and home-delivery prices of milk were increased by as much as 7.5 per cent on June 1, but will not be increased further in keeping with Dairy Board increases.

...the wholesale price of

a litre of milk in a carton went up from 64c to 67c and milk delivered to homes was increased from 63.5c to 68c.

The price increase announced by the Dairy Board for other parts of the country would co-incide with the removal of the seven per cent GST on fresh milk and other basic foods.

Model Dairy, which handles about 90 per cent of the milk trade in East London, has not increased the prices of yoghurt and maas, but it is not yet known if the Dairy Board will push up the prices of these dairy products in other parts of the country.

The Dairy Board has already announced that the prices of cheese and butter will go up countrywide. — DDR.

# Milk quota will 'push up price'

Star 7/6/84 Farming Correspondent (3) Down

Sudden restrictions on milk production would push up the milk price, says a visiting British expert.

Dr W.H. Broster, a world authority on dairying, said it was such a long-term investment that any production quota system in Britain or South Africa should be implemented very gradually.

If this were not done, farms and herds would be thrown out of balance, he said. Production costs for a litre of fresh milk would increase and, ultimately, the consumer would suffer.

## SUGAR—CANE RESIDUE

He added that, to lower the costs of production, cows should be fed to remain productive for four years or more. They should not be over-fed with concentrated rations.

Sugar-cane residue, known as "bagasse" could well be made into a wholesome feed by treating it chemically, Dr Broster said. In times of drought this could be an important source of cattle feed.

Dr Broster will deliver a keynote address at a symposium on future milk production which is to be held at the Animal and Dairy Science Research Institute, Irene, tomorrow.



# City dairies on strike Deliveries disrupted

AGUS  
8/6/84

Labour Reporter

WORKERS at two Cape Town dairies went on strike today, severely disrupting milk deliveries in some areas.

At Union Dairies in Tokai the atmosphere was tense as policemen gathered outside the workers' hostels.

About 150 bottling and delivery workers sat in silence as police patrolled the picturesque farm on which Union Dairies operates.

Police barred reporters from the site and refused to let them interview workers.

When questioned, a police sergeant said he had been ordered by the managing director of Union Dairies, Mr C Bearne, "not to allow the Press to talk to workers".

Mr Bearne said he did not want to comment on the dispute.

"I don't want you to talk to the men, although you can see we have a problem," he said.

Police prohibited reporters from talking to a union organiser on the site.

At Van Riebeeck Dairy in Parow, about 400 workers stopped work today.

Workers said they were protesting about the lack of "call-in-cards" — a system whereby migrant workers are recalled annually without breaking their contracts — and were demanding two assistants on each of the milk trucks.

A spokesman for the Retail and Allied Workers' Union, which is negotiating a recogni-

tion agreement with Van Riebeeck, said some workers had gone on leave of-up to three months and that this had seriously affected their chances of obtaining permanent rights in urban areas in South Africa.

Mr Lloyd Whitfield, managing director of Van Riebeeck, said the company had supported workers with affidavits in their application for Section 10 rights.

A call-in-card system was in use, he added.

"We would be delighted if workers got their Section 10 rights, but it is childish of them to blame us for not getting them," Mr Whitfield said.

He said workers who wanted two assistants on the milk trucks should approach their

supervisors, instead of going through the union.

Referring to the police presence at Union Dairies, Captain Gerhard van Rooyen, police liaison officer, said police were observing the situation and were there to "maintain law and order" if necessary.

Two trucks on the scene had nothing to do with the strike, he said.

They had come to fetch milk for a nearby army camp.

Care Times  
9/6/84  
3 Milk  
152

# Workers strike at two dairies

Staff Reporter

STRIKES by workers at Union Dairies in Tokai and Van Riebeeck dairies in Parow Industria were resolved last night after management of both dairies had agreed to the workers' demands.

The workers are members of the Retail and Allied Workers' Union (Rawu), which has been negotiating for recognition with the two firms.

Mr Alan Roberts, secretary of Rawu, said last night the strike at Union Dairies had been called off at 7pm. Between 90 and 100 workers had stopped work because a key worker whose contract had expired had been promised re-employment only in five months' time.

"The workers felt this was unfair and demanded that he be reinstated after one month's leave. Management promised that the worker could return at the beginning of July."

Earlier, a union spokeswoman said the worker was an active union member and workers believed he had been victimized.

● At Van Riebeeck, all 500 workers had gone on strike in support of demands that drivers of home-delivery milk trucks be given

two assistants instead of one and that workers should be placed on "call-in" card systems which automatically renewed contracts each year, according to Mr Roberts.

The strike was called off at 1pm yesterday following negotiations.

"When workers' contracts expire, management often uses this situation to re-employ workers selectively. Workers demanded they be given assurance of re-employment," Mr Roberts said.

Management had promised that call-in cards would be introduced and workers had understood this would happen at the end of the month.

The spokeswoman said management has signed a preliminary recognition agreement with the union committee.

Management dismissed all workers yesterday morning after the committee had refused to meet management before union officials arrived, she said.

Mr Lloyd Whitfield, managing director of Van Riebeeck, was quoted as saying that a call-in card system was in use and that the company had supported workers' attempts to obtain Section 10 rights.

Mr B W B PAGE: Arising out of the Minister's reply, can the hon the Minister please repeat the name of the company he mentioned that was being used as an agency?

The MINISTER: Forum 2000.  
Mr B W B PAGE: Further arising out of the Minister's reply, is it not true that the firm of Marais, Kirkpatrick and Associates was used by the department?

The MINISTER: They were used for the toll gates; on another project, and not on this one.

Mr B W B PAGE: Further arising out of the Minister's reply, I have specifically asked whether the Department of Transport employs the services of a public relations and/or advertising agency. I am surprised that the hon the Minister did not refer to Marais, Kirkpatrick and Associates in his reply. Surely all projects are covered by my question?

The MINISTER: There is another question on the Order Paper referring to toll gates. The firm of Marais, Kirkpatrick and Associates was used on toll gates. The general work of the department was done by Forum 2000. The hon member was present at the opening of our first toll road and he saw the people there.

Mr B W B PAGE: No, I was not at the opening.

Mariamhill/Inchanga: toll facilities  
\*15. Mr M A TARR asked the Minister of Transport Affairs:

Whether construction has commenced on the proposed toll facilities on the new Mariamhill/Inchanga section of the N3; if not, when is it anticipated that construction will commence; if so, when is construction due to be completed?

The MINISTER OF TRANSPORT AFFAIRS:  
No, during October 1984.

*3 Downing* Milk powder *15/6/84*  
*Howard Q.61.1600*  
\*16. Mr D J N MALCOMMESS asked the Minister of Agriculture:

- (1) Whether milk powder is being exported at a loss, if so,
- (2) whether a levy is charged on fresh milk in order to recover this loss; if so, (a) what amount (i) had been recovered and (ii) remained to be recovered as at 30 April 1984 to offset the loss and (b) when is it anticipated that this levy will be discontinued?

The MINISTER OF AGRICULTURE:

- (1) Yes.
- (2) Yes.
  - (a) (i) R25,465 million.
  - (ii) R9,074 million.

(b) Levies can only be abolished when surpluses no longer exist. At this stage the abolition of levies during 1984 seem unlikely.  
*Howard Q.61.1600*  
*Zwelemba 13/6/84*

\*17. Mr K M ANDREW asked the Minister of Co-operation and Development:

- (1) Whether any members of the community council of Zwelemba, Worcester, are employed by a (a) Government Department, (b) provincial administration, (c) local authority and (d) Development Board; if so, which members in each case;
- (2) whether any members of this community council have trading licences; if so, (a) which members and (b) what licences do they have in each case?

The DEPUTY MINISTER OF CO-OPERATION:  
(1) (a) No.

(b) Yes. Mr G F Magawu. Mrs C Skweyiya.

- (c) No.
- (d) No.

Zwelemba

\*18. Mr K M ANDREW asked the Minister of Co-operation and Development:

- (1) Whether school children from elsewhere who lodge with families in Zwelemba, Worcester, are required to pay any (a) levies and (b) other moneys to (i) the Development Board and (ii) any other authority; if so, (aa) why and (bb) what amount in each case;
- (2) what amount in such levies and other moneys was collected from school children in Zwelemba in each of the latest specified three years for which figures are available;
- (3) whether such levies and moneys are collected by any authorities in any other townships in the Republic; if so, in which townships?

The DEPUTY MINISTER OF CO-OPERATION:

- (1) (a) Yes.
- (b) No.
  - (i) Yes.
    - (aa) The Board is responsible for the provision of services, such as water and electricity, to schools in the Black townships.
    - (bb) R1,25 per month.

(2) R36, R24 and R36 in respect of the

1981-82, 1982-83 and 1983-84 financial years.

(3) The raising of school levies is common practise throughout the country.

\*Mr J RABIE: Mr Speaker, arising out of the hon the Deputy Minister's reply about lodging for school children with families in Zwelemba, can he give me an indication whether he received any application for lodging from one K M Andrew?

The DEPUTY MINISTER: No, Sir, but if I receive such an application, I will give it serious consideration.

*Howard Q.61.1602*  
*Boards for religious objection*  
*3/6/84*  
\*19. Mr P A MYBURGH asked the Minister of Manpower:

- (1) How many applications had been (a) heard and (b) refused by boards for religious objection in terms of section 72A of the Defence Act, No 44 of 1957, as at the latest specified date for which figures are available;
- (2) whether any applications were outstanding as at that date; if so, (a) why and (b) when will they be heard;
- (3) whether these boards have set up alternative venues for meetings; if not, why not; if so, what are the venues of these boards?

The MINISTER OF AGRICULTURE (for the Minister of Manpower):

- (1) (a) 96.
- (b) 1.
- (2) Yes.
- (a) Owing to:
  - queries by the board; the applications awaiting the amendment of the Act where members refused to be co-opted in terms of section 72(a)(2)(e);

—queries by the board; the applications awaiting the amendment of the Act where members refused to be co-opted in terms of section 72(a)(2)(e);

# Model Dairy signs merger.

By TOM LOUW  
Business Editor

EAST LONDON — Model Dairy of East London and Melton Dairy of Queenstown have amalgamated under the Model Dairy banner. Beehive ice cream is included in the arrangement.

The partnership was sealed at Stutterheim at lunch-time yesterday when the instrument of amalgamation was signed by directors of the two co-operatives.

The amalgamation involves assets amounting to R2,75 million, and a total staff complement of about 400 people.

Chairman of the amalgamated body is Mr

Edward Kruse, and Mr Geoff Stead of Model Dairy continues as chief executive.

Mr Kruse told me yesterday evening that the new structure gives the dairy industry in this area a firmer base. It will draw supplies of fresh milk from the whole of the Border area and the distribution network will cover, in addition to East London and Queenstown, King Williams Town, Stutterheim and Cathcart, with sales also into Ciskei and Transkei.

Distribution, in fact, covers an area from Umtata to the Great Fish River.

Mr Kruse said planning had already begun to improve milk produc-

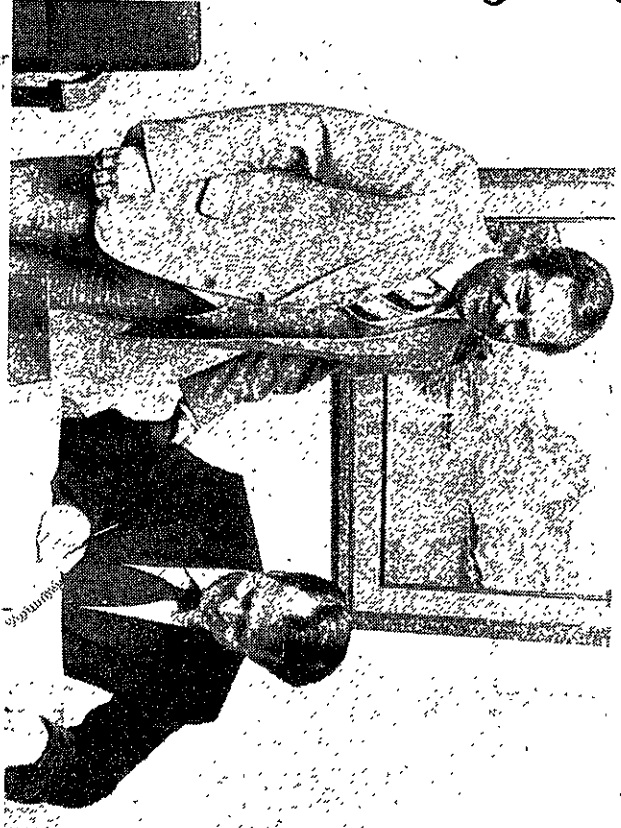
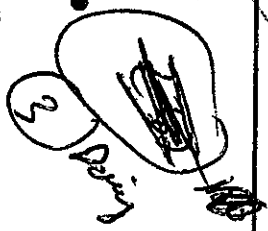
tion in the Border area and thus avoid the need to import supplies from other districts.

Members of both co-operatives would gain by the tying up of the whole area on a planned production basis.

"We also have plans for improved marketing and we can see economies of scale," said Mr Kruse. "So we hope to limit price escalation in the future, and when GST comes off milk at the end of June, we will pass that saving on to the consumer."

In the past year the milk producers supplying Model Dairy have been paid an average of 40 cents a litre, which represents an average increase of 20 per cent in their payout. As against that, the consumer price was raised by only 3 cents a litre.

"With the new bigger unit we hope to improve on that," said Mr Kruse.



Mr Geoff Stead, general manager of Model Dairy, looks on as Mr Edward Kruse signs the merger agreement. Mr Kruse will be chairman of the amalgamated body, while Mr Stead continues as chief executive.

# Industrial <sup>(3) Dairy</sup> court <sup>28/6/84</sup> ~~action~~ <sup>slow</sup> against dairy

By Carolyn Dempster,  
Labour Reporter

The Food and Beverage Workers' Union has instituted legal action against Dairy Maid following the mass dismissal of workers during a strike at the company's Olifantsfontein ice-cream factory in February this year.

Mr Glen Mokoena, an organiser for the FBWU, said the union had applied for a conciliation board hearing, and intended to have the matter heard in the Industrial Court on the basis of an unfair labour practice.

About 280 workers went on a week-long strike at the factory following demands for the dismissal or transfer of a supervisor, Mr Kallie Zastron. Workers alleged Mr Zastron used a sjambok to exercise discipline in the plant and had assaulted several workers in this manner.

During the week inten-

sive discussions were held between the union and management. Dairy Maid finally gave the strikers an ultimatum to return or lose their jobs. Altogether 160 of the original strikers failed to return to work and were dismissed.

A spokesman for Dairy Maid, Mr A van Rhyn, confirmed that the union had filed documents with the Department of Manpower. He also stated that Mr Zastron had left the company shortly after the strike.

In another matter, the FBWU has applied for the reinstatement of a member fired from Sacca Products Ltd.

The application for a Section 43 order follows the dismissal of Mr G Shiburi in April.

Mr Shiburi is alleged to have been dismissed but was then informed he was being retrenched.

# Future of dairy staff in balance

By RIAAN DE VILLIERS  
Labour Reporter

THE future of 685 black dairy workers was in the balance early last night after they went on strike at Dairybelle's Western Cape headquarters in Epping yesterday morning.

The management of Dairybelle Corporation met a committee representing the strikers at 5pm yesterday. The talks deadlocked after management refused to negotiate, while the workers were on strike.

Mr Martin Henning, Dairybelle's general manager in the Western Cape, announced yesterday morning he had decided to pay off the entire workforce for striking "illegally" for the second time in three months.

However, after the meeting yesterday evening the workers had not been paid off.

## Contract

A Retail and Allied Workers' Union official last night said the workers' primary demand was for the introduction of a "call-in card" system, which would secure continued employment for contract workers. The workers also wanted facilities to cook their own food in the hostel.

The dispute disrupted milk deliveries in many areas of the Peninsula yesterday. Milk was delivered to wholesalers, but there were no home deliveries in a number of suburbs and townships.

To keep shop deliveries going, some drivers had picked up casual

workers off the street to assist them with the deliveries, the union official said last night.

According to striking workers, one foreman refused to go on strike. When they confronted him, he produced a firearm, the official said.

About 450 of the workers are contract labourers and the others township residents.

Yesterday morning Mr Henning said workers had gone on strike "without warning" after a demand that contract workers be placed on a "call-in card" system were discussed at a meeting with union officials and the workers' committee the previous day.

## Rejected

He said the workers were "regarded as having dismissed themselves" after ignoring an ultimatum to return to work and would be paid off at mid-day.

The workers said they would not accept their pay packets. "We want to stay in our jobs — but we want our rights," a committee member said.

After negotiations, Mr Henning agreed that the union could try to persuade workers to return to work.

But he had continued to refuse to negotiate on any grievances while they were on strike.

A union spokeswoman later said workers had rejected management's stance. "They want to return, but want their demands to be negotiated now," she said.

5/7/84

3 Dairy

C-Times

# Dairybelle dispute: Talks start

By RIAANDE VILLIERS  
Labour Reporter

HOPES for a settlement of the Dairybelle dispute rose yesterday afternoon when top management representatives started lengthy negotiations with more than 600 workers at the company's Western Cape headquarters in Epping.

Mr Martin Henning, general manager of Dairybelle in the Western Cape, began a meeting with workers and officials of the Retail and Allied Workers' Union early in the afternoon and the discussions were still continuing last night.

## 'Hoping'

A union spokesperson said the outcome was not yet known. "But this is the first time Mr Henning has met with the workers since the dispute started on Wednesday morning and we are hoping a settlement may be reached."

No management spokesmen were available for comment.

Meanwhile, the Cape Town and Sea Point Traders' Association threatened to boycott all Dairybelle products if the dispute was not settled.

## Subsidiary

Its secretary, Mr Abdurahman Khan, said: "We are a black traders' association and we are not prepared to trade with any company which does not meet the demands of its workers."

He said the association was discussing the situa-

tion with Rawu and would also approach the Western Cape Traders' Association.

In another development, Rawu officials contacted management of Imperial Cold Storage in Pretoria yesterday in an attempt to resolve the dispute. Dairybelle is an ICS subsidiary.

Milk deliveries were still disrupted in a number of Cape Town suburbs and townships yesterday.

A company spokesman confirmed that wholesale deliveries were still being made and that milk was available in cafes and supermarkets.

However, no home deliveries were made for the second day in succession and the company hoped to start restoring them "from today".

## Gates locked

Workers arrived at the plant early yesterday morning. According to a union spokesperson they found the gates locked.

Earlier yesterday, Mr Henning declared that the company regarded all the workers as dismissed and they would have to reapply for their jobs. Labour officers had been sent to the Transkei to recruit new workers.

The workers' main demand is for the introduction of a "call-in card" system in terms of which their contracts will be automatically renewed each year. This demand has been met by several others dairies in the Cape.

# He's great and

By STEPHEN WROTTELEY

FORMER Springboks yesterday described Naas Botha as an excellent player and a great character — and said they would love to see him back in the ranks of amateur rugby.

However, they added that the rules of the SARB would have to be obeyed and two said they thought it highly unlikely that he would be readmitted as an amateur.

● Morne du Plessis, former Western Province and Springbok captain, said: "He's become a character and the game needs characters. It's an exciting possibility to have him back and it would be nice to see him play again. But it is up to the rugby board to see if the rules will allow him to play again. Whatever is decided, so be it."

● Wynand Claassen, former Springbok rugby captain, said:

# Naas: Future up for debate

By IAN SMIT

THE issue of whether Naas Botha should be allowed back into amateur rugby will be discussed at the South African Rugby Board's executive committee meeting in Cape Town today, although no final decision on the former Springbok's future is expected.

Though there is a considerable amount of sympathy for Botha, informed feeling in rugby circles is that he stands only a slim chance of being re-accepted into the amateur code.

The board is likely to pass the matter on to its disciplinary committee at today's meeting, which could then quite possibly refer the matter to the International Rugby Board.

An uncomfortable precedent could well be created if the blond Northern Transvaler were allowed to play amateur rugby again.

Botha, who spent some 15 months in the United States exploring the possibility of becoming a grid-iron kicker before returning to South Africa two weeks ago, has applied through the North-

ern Transvaal Rugby Union to be reinstated as an amateur.

Botha is adamant that he did not at any stage receive grid-iron appearance money in the US but his travelling expenses and other factors are tricky questions and contravene the International Rugby Board's rules regarding professionalism.

## Tour possibility

South African rugby fans and administrators alike will be hoping that some positive news regarding tours between South Africa and South America be made known at today's meeting.

The president of the SARB, Dr Danie Craven, recently visited a number of South American countries, and the executive will be considering his report-back at today's meeting.

A statement regarding the possibility of tours between South Africa and South America could well be issued after today's meeting, especially as Dr Craven encountered positive support for South African rugby during his tour.



Wynand ... the ru... of r



Jannie brecht stands th

# Pitt puts his foot in it, slips again

Own Correspondent

LONDON. — Mr Peter Pitt, the London councillor who attempted to ban Zola Budd from running, has slipped up again.

Mr Pitt has had to re-

singers.

He claimed that Lord Goodman, chairman of the ENO, had written to him regretting that Willard White had not been given the role of Mone-

The Cape Times

Weekend Homefinder

# Good news for Homefinder fans

IN SPITE of an official boycott by estate agents and pressure on members of their institute to withdraw their advertisements from Homefinder the pioneering Cape Times supplement

Rat scar on V Coa

Staff

THE STAT

# Dairy strikers receive support

By RIAAN DE VILLIERS  
Labour Reporter

THE DISPUTE between Dairybelle and more than 600 black workers remained deadlocked yesterday when workers ignored two management ultimatums to return to work or be finally paid off.

Meanwhile, pressure on the company to accede to the workers' demands mounted further when the Western Cape Traders' Association declared it might call for a boycott of all Dairybelle products at an executive meeting to be held today.

The United Democratic Front also pledged its "full support" to the striking workers and said its affiliates were discussing "possible forms of practical support".

The dispute disrupted milk deliveries in the Peninsula for the third

day running. Wholesale deliveries continued but there were no home deliveries in a number of Cape Town suburbs and townships.

Several sources claimed factory supplies of other Dairybelle products such as fruit juice had been depleted and that deliveries would end on Monday.

They claimed there was "chaos" in the plant, which is staffed partly by white schoolchildren on holiday.

Mr Martin Henning, general manager of Dairybelle in the Western Cape, said the company would continue normal supplies to wholesalers.

"But we are in a crisis situation and anything can happen," he said.

Hopes for a settlement rose late on Thursday when Mr Henning negotiated at length with workers and officials of the Retail and Allied Workers' Union. But, union officials said, the talks failed when Mr Henning refused to accede to workers' demands in writing.

A union spokesperson said Mr Henning had given workers an ultimatum at 7am yesterday to return to work or be paid off — which workers had ignored.

At 1.30pm, Mr Henning gave workers a "final" ultimatum to return to work.

Speaking through a loud-hailer, he told workers gathered outside the plant to report for re-employment by 2.30 or collect their pay.

Workers again ignored the call. They said they wanted to return to work but were not prepared to do so before their grievances were met in writing.

"We will go back to work as soon as he signs — even today," they said. "But too many promises have been made in the past which have not been kept."

Mr Cecil Msutu, 54, who said he had been with the company for 26 years, declared: "They can forget about us returning without meeting our demands. We can't go back to work without our rights."

A union spokesman said attempts were continuing to apply pressure on Dairybelle through its parent companies, Imperial Cold Storage and Barlow-Rand.

Mr Henning said later that workers were still welcome to return. "But labour officers have been sent to the Transkei and from Monday there may be less and less jobs for them to return to," he added.

Renewed negotiations were thought to be in progress last night.



(12) (3) Dairy (186) (187)  
C. Times 7/6/84  
**Dispute at Dairybelle  
resolved after talks**

By RIAAN DE VILLIERS  
Labour Reporter

THE DISPUTE between Dairybelle and more than 600 black workers was settled at the weekend after further negotiations between management, officials of the Retail and Allied Workers' Union and a workers' committee.

The settlement has ended a strike which had paralysed home milk deliveries in a number of Cape Town suburbs and townships since Wednesday morning.

A union spokeswoman said yesterday that workers returned to work on Saturday morning after management had agreed in writing that it would negotiate with their committee and that no workers would be victimised or dismissed.

This was done on the understanding that workers would continue striking today if no

agreement was reached.

In terms of the agreement, all workers will be given individual "call-in" cards when their contracts expire, which means that their contracts will be automatically renewed. All workers are also to get four weeks' leave, and individual workers can request longer periods.

Agreement was also reached about procedures for dismissals and retrenchments.

**'Major victory'**

She described the settlement as a "major victory" for the union which would significantly improve job security of contract workers.

"This means we have won call-in cards at all three dairies where we have organized workers," she added.

Mr Martin Henning, Dairybelle's general manager in the Western

Cape, confirmed that the dispute had been settled, but denied that the company had "given in" to worker demands.

"Workers met our condition that we would not negotiate with them while they were on strike," he said.

He confirmed that the company had agreed to institute the "call-in card" system but said the parties had reached a "negotiated solution" which met certain conditions laid down by management since the beginning of talks on the issue.

He said the agreement on dismissals and retrenchments were "re-statements of company policies which have been followed for the past 15 years".

He added that home deliveries had been restored on Saturday morning and that all services by the dairy would be normal from today.

2/8/13/11  
LAW

# Dairy workers strike: Seeking job continuity

PIPPA GREEN, The Argus's labour reporter, looks at the recent strike of milk delivery men

RECENT labour unrest in Cape Town's dairy industry has touched at the heart of the contract labour system in South Africa.

Last week's strike by 600 workers at the city's largest dairy, Dairybelle, is the fourth to hit local dairies in two months.

In all the strikes, the dairyworkers' demands have been the same and have been brought forcefully and often inconveniently to the attention of thousands of non-African Cape Town people whose home milk deliveries have been disrupted.

Many years of migrant labour, the uncertainty of living apart from their families, the anxiety of not being automatically assured of a job at the year's end and rebellion against hostel life are largely responsible for the current spate of unrest.

At the major Cape Town dairies — Dairybelle, Van Riebeeck and Union — workers have demanded that the companies' labour recruiting system be changed.

More than two years ago, long before the Retail and Al-

lied Workers' Union appeared on the scene, striking Van Riebeeck workers claimed they were put back on a basic wage after returning to the homelands to renew their contracts.

Rawu now has substantial membership among dairyworkers who are spelling out their aspirations more clearly.

Workers claim the lack of individual contracts or "call-in-cards" has seriously jeopardised their chances of obtaining permanent urban rights in terms of Section 10,1 (b) of influx control legislation.

Section 10,1 (b) applies to workers who have worked for the same firm for an unbroken period of 10 years.

"Unbroken period" has always been a contentious legal issue and the introduction of black labour regulations in 1968, which made it compulsory for a migrant worker to return to his homeland to renew his contract, affected tens of thousands of migrants with long service.

But in two historic Supreme Court cases in 1981 involving Johannesburg worker, Mehlolo Rikhoto and a Cape Town man,

Stanford Boo, the court ruled that the four week return to the homelands at the end of the year was normal annual leave, which did not constitute a break in service.

"Difficult as it is to establish the city rights of long-term migrant workers, it is almost impossible, say labour lawyers, to win a case for a man who has taken three or four months unpaid leave within a ten year period.

And dairyworkers' feel this is the crux of the matter.

A call-in-card system, whereby migrants are recalled annually without breaking their contracts, they say, would prevent companies sending them home on long leave.

Dairy company managements say they are willing to make certain changes to suit the workers, although some still want to regulate the flow of labour to the factory.

Mr Lloyd Whitfield, managing director of Van Riebeeck, said the company was assisting workers to apply for Section 10, 1 (b) rights.

Both he, and Mr Maarten Henning, general manager of Dairybelle, claimed that workers had in the past asked to go home for long periods.

"Ten years later, they blame us for not getting their Section 10 rights," Mr Whitfield said.

Mr Henning although initially reluctant, has agreed to institute a "call-in-card" system provided that he is able to "regulate" the labour supply.

But there is another aspect to migrant labour, which has sparked off strikes.

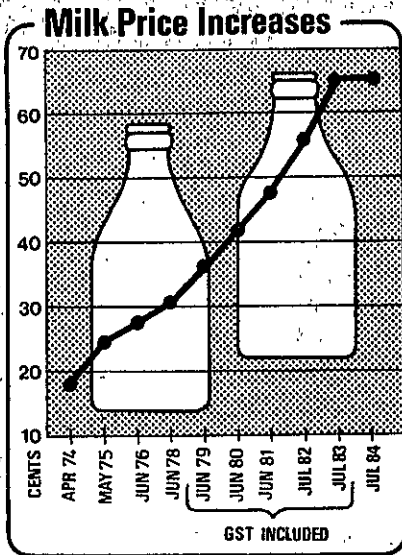
Company hostels, the city homes of many thousands of married men, are often a major bone of contention in industrial relations and Dairybelle workers have complained bitterly about the centralised hostel kitchen.

It is a point which has been difficult for white management to understand.

"The hostel is one of the most modern. It cost me R1,2-million to put up. I have hired a professional company to cook traditional Xhosa food. Now 450 men tell me they want to cook their own food," Mr Henning said.

# 250 pc price leap in bread, milk in 10 years

By Jennifer Tennant,  
Consumer Reporter



Prices of basic foods such as milk and white bread have risen by a staggering 250 percent in the past decade, a review carried out by *The Star* of price increases since 1974 found.

The review followed the recent announcement of a spate of price increases, including tea, milk powder and cooking oil, which will come into effect by the end of October.

Reasons for soaring prices — in 10 years — have not changed: the crippling drought of the last two years, South Africa's inflation rate, increasing transport costs, higher fuel prices, and the spiralling cost of labour.

Since 1976 the price of brown bread has risen by 200 percent: five increases in 10 years.

- In 1976 it went up from 13 c a loaf to 16c a loaf.
- In 1980 brown bread increased by 25 percent to 21 c a loaf.
- Brown bread went up again in 1981 — this time by 40 percent — to 29c.
- In 1982 the price of it increased by 17,8 percent to 35c.
- This February it went up 6c, rising from 36 c to 42c a loaf, an increase of 16,6 percent.
- But the price dropped to 39c when bread became exempt from general sales tax in July.

The price of white bread has risen by 250 percent — six increases in eight years.

- White bread rose to 20c a loaf from 16c in 1976.
- In 1978 it increased to 26c a loaf.
- In 1980 a loaf of white bread went up by 5c to 31c.
- White bread went up again to 42c a loaf, an increase of 30 percent, in 1981.

- It cost 53c at the end of 1982.
- There was an 11 percent increase in the price of white bread to 60c a loaf this February.
- When bread became exempt from GST in July the price dropped to 56c.
- Milk has increased by about 250 percent — 47c — since 1974, when a litre bottle cost 18,8c. (See graph of milk price increases).

Delivered  
Star (3) Dairy  
milk up 2 c

17/9/84

Dairies on the Witwatersrand will increase the price of home-delivered milk by 2 c a litre this month.

At least one distributor has already pushed up prices, and other dairies are likely to follow within the next few weeks.

A spokesman for Nels Dairy, Mr Hans Nel, said home-delivered milk was increased by 2 c to 68c a litre today.

He said a distributor's increase of 1 c a litre in July had not been enough to cover higher labour and packaging costs.

A spokesman for another distributor, NCD, said prices would rise by the end of the month.

*(Times)* *(3) Dairy*  
**Milk price goes up**  
*26/9/84*  
**13,5c in 15 months**

Staff Reporter

CONSUMERS, reeling under a barrage of price increases, have been dealt another surprise blow with the price of milk having risen by two cents a litre.

The unannounced increase came into effect on Monday last week and affects all retail outlets. Home deliveries have not been affected.

This brings the effective increase in the price of a litre of milk since milk price control was abolished 15 months ago

to 13,5 cents. It is the second milk price increase this year.

A spokesman for the Cape Dairy Products Association, Mr Colin Boyes, described the increase as "pretty much in line" with inflation. "The hard reality of life is that the man in the street has to bear the brunt."

The chairwoman of the Cape Town branch of the Housewives League, Mrs Sheila Baillie, said her organization intended applying to the government for price control to be reinstated.

# 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.

Milk ~~26/10/84~~  
26/10/84  
price to  
rise by <sup>(3) Dairy</sup>  
E. Post  
2c a litre

Post Reporter

THE price of milk in the United Dairies supply area will be increased by 2c a litre from November 1, according to the marketing manager of United Dairies, Mr Stephen du Plessis.

Mr Du Plessis said the increase was due to an increase in distribution costs, wages, transport, manufacturing and packaging.

He said milk delivered to the doorstep would go up from 67c to 69c and 20 milk tokens would now cost R13,80.

Milk bought at United Dairies' depots would go up from 65c to 67c.

The price increase will also affect the price of milk at the new Abomat dispensing operation at the Newton Park depot, where it will also be increased by 2c a litre.

# 5c a litre milk price hike coming

*D. Dispatch*  
*8/11/84*  
*3 Dairy*

EAST LONDON — The price of milk here is to go up by 5c a litre from November 26.

In a statement released here yesterday, the Model Dairy Co-operative announced that the price rise would affect East London only.

In Queenstown the price would remain the same as the price there had been higher for some time, a spokesman said.

"Over a number of years the dairy has acted reasonably in its attitude towards price increases and has only made adjustments when absolutely necessary," he said.

"This is borne out by the fact that at present our price for fresh milk is 4c a litre below the

present price in controlled areas."

Over the past two years the co-operative's price of fresh milk had increased by 25 per cent.

"The real milk price increase was from 55c in February 1982 to 69c, which will be the new price," he said.

This compared with an increase of 41 per cent in the controlled areas over the same period.

"Owing to the unfavourable present economic climate and the increased cost of certain raw materials, it has also become necessary to increase the price of other Model Dairy products accordingly by approximately eight per cent on average," the spokesman said. — DDR



EAST LONDON — The latest five cents a litre milk price increase was greeted with dismay by local residents who felt advantage was being taken of an essential commodity.

Dairy Model announced this week that their milk would go up from 73c to 78c on November 26.

Although supermar-

# Dismay at milk price hike

*3) milk O. Raskin*

kets sometimes substitute commodities for a while after a price hike, none of the local supermarkets could give the assurance yesterday that they would be doing so in this case.

Our salaries go up, but the price of food increases even more rapidly and we can do nothing about it," he said.

"Five cents more for a litre is a big jump, especially as we use two litres of milk every day," Mrs Luise Randall of Vincent said. She and

her husband "are under doctor's orders" to drink a lot of milk, "but we will have to cut down if these price increases continue," she said.

Mrs Dawn Russel of Amalinda, who also buys two litres of milk a day, was equally unhappy about the price increase, but felt particularly despondent because there was nothing she could do about it.

"How many increases have we not had in the past 18 months?" a dissatisfied Mr Guy Devine of Berea asked. "They know we have to buy milk every day, no matter what the price, and they take advantage of it," Mr Devine said. — DDR

Mrs Koeks Oelofse of Cambridge said that the increase was bad enough, but the worst was the

M. Nel of Quigney asked, "What can we do?"

but the worst was the

but the worst was the

but the worst was the

but the worst was the

but the worst was the

# Butter, cheese prices slashed

3 Dairy

P. Dapforth 14/11/84

EAST LONDON — Good news for consumers: the prices of surplus butter and cheese stocks are to be slashed.

The Dairy Board is expected to make a detailed announcement tomorrow, but it is understood the price of butter will be cut by at least 20 per cent and cheese by between 15 and 20 per cent. One national supermarket chain has already cut its prices in anticipation.

The new prices come into effect at its East London branch today, amounting to R1.38 on a 500 g packet of choice butter (a cut of 81c), and R3.68 on first grade cheese (a cut of R1.01).

The new prices came into effect in Port Elizabeth yesterday. Mr. Terry Carroll, regional general manager of Pick n Pay, said stores in Port Elizabeth had sold out of butter in two hours.

Sales had been "mind-boggling," he said.

Mr B. K. Nutt, deputy manager of the Dairy Board, declined to give details of the cuts yesterday, although he confirmed that a statement about the release of surplus butter and cheese stocks would be issued tomorrow.

It is not known at this stage what amounts of butter and cheese are to be sold at the lower price, but stocks are large, and the bonanza could last for several weeks.

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It is not known at this stage what amounts of butter and cheese are to be sold at the lower price, but stocks are large, and the bonanza could last for several weeks.

The losses involved will be carried by the board's stabilisation fund.

The reason for the huge surplus is continued milk supplies in excess of demand, and the 12 000 ton surplus of powdered milk which accumulated earlier in the year.

Part of the milk surplus has been reconstituted and used in the manufacture of cheese and other dairy products.

Miss Peter Lomborg, public affairs manager of Checkers in Johannesburg, said yesterday her firm would change its butter and cheddar cheese prices tomorrow after the Dairy Board's announcement.

"We cannot give the new prices yet, but we will definitely pass on the benefits to the consumer," she said.

Mr B. K. Helberg, assistant director of the Consumer Council, welcomed the move as "excellent news."

"This shows that they are aware of the market factors, which is a considerable contrast to the days when there were price increases."

"We hope that people will make use of this opportunity," he said. — D.D.R.-D.D.C.

# Butter, cheese prices to drop?

Staff Reporter

LEADING chain stores are expecting a dramatic drop in the prices of butter and cheddar cheese but they do not know how far the prices will plunge.

It is anticipated that the Dairy Board will announce the release of huge quantities of surplus butter and cheese tomorrow, resulting in a drop in the prices of both products.

One leading national chain was so confident of a significant drop that yesterday it reduced the price of 500g of first-grade butter by 81 cents and of 1kg of first-grade cheddar cheese by R1,01.

Another major group is waiting for the Dairy Board announcement

before cutting its prices.

Mr B K Nutt, deputy manager of the Dairy Board, speaking in Pretoria, yesterday declined to give details of the move, although he confirmed that a statement on the release of surplus butter and cheese stocks would be issued tomorrow.

Those stores which dropped their prices did so of their own accord, he said.

Several chain-store sources yesterday confirmed that there was a glut of choice butter and cheddar cheese.

● The chairman of Pick 'n Pay stores, Mr Raymond Ackerman, welcomed the intention to release surplus stock

at a substantially lower price.

His company had anticipated that the government would reduce the price of butter and cheese, he said, and had already reduced its prices in an effort to assist consumers.

The company could have waited for the weekend but was taking a risk and absorbing the losses by lowering its prices ahead of time, Mr Ackerman said.

"We compliment the Dairy Board, because in the past surplus stock was exported. The Dairy Board is doing an excellent job in bringing prices down.

"We have always said that when there's a surplus prices should come down, and we're putting our money where our mouth is.

"I just wish that when there's a surplus of other goods the prices would come down," he said.

● Miss Peta Lomborg, public affairs manager for Checkers, said in Johannesburg yesterday that her firm would change its butter and cheddar cheese prices tomorrow after the Dairy Board's announcement.

"We cannot give the new prices yet but we will definitely pass on the benefits to the customer", she said.

● Mr B K Hellberg, assistant director of the Pretoria-based Consumer Council, welcomed the Dairy Board move as "excellent news".

"This shows that they are aware of the market factors, which is a considerable contrast to the days when there were price increases. We hope that people will make use of this opportunity."

14/11/84

# Dairy farmer warned not to supply milk

15/11/84  
Dairy Dispatch

EAST LONDON — A dairy farmer in the Morgan Bay area, Mr J. Ranger, has been warned by the Divisional Council of Kaffraria not to supply milk to the area without a licence.

The matter was referred to the divisional council for consideration following an appeal by Mr Ranger to be granted permission to continue his business until plans for a dairy were submitted and passed.

The council's health inspector, Mr J. H. Turner, said in a report to the council that Mr Ranger had supplied milk to the Morgan Bay area for the past six and-a-half years without the necessary licence to do so.

During this time no plans or any application for a licence to carry on the business of a milk supplier had been submitted to the relevant authorities.

Only in early September this year, after having been warned by the divisional council of his contravention, had Mr Ranger applied for a licence to supply milk to the area.

Subsequently, Mr Ranger had moved to a new farm which contained no suitable dairy premises. The divisional council instructed him that plans for a dairy should be submitted before he was granted a licence to continue his business.

"A plan of a dairy could be drawn up in less than a day but to date no plans have been received," Mr Turner said in his report.

Furthermore, Mr Ranger's statement that he has been trading as a dairyman for the past six-and-a-half years cannot be condoned. During this period Mr Ranger had ample time to build dairy premises and to be licensed, as ignorance of

the fact that he did not know he had to be licensed is unacceptable," he added.

The divisional council had consequently adopted the standard regulations relating to dairies, milk shops and purveyors of milk in considering Mr Ranger's appeal.

It was decided that Mr Ranger was contravening the provisions of these regulations and the provisions of the relevant licences ordinance. — DDR

23/12/84

C. P. P. P.



3 Dairy



# DAIRY MAID CRIES OVER SPILT MILK

A LEADING dairy products manufacturer this week demanded that the Food Beverage Workers' Union verify a Press report that its mother body had launched a consumer boycott of its products after a dispute with the union.

**By SANDILE MEMELA**

The manufacturer, Dairymaid, intends to take legal action against the Council of Unions of South Africa to prohibit the boycott.

However, Cusa pointed out that the boycott was launched by the Dairymaid Workers' Union, not Cusa.

Cusa said the boycott was launched because

of Dairymaid's unfair labour conduct.

This allegedly includes the dismissal of long-service employees, the assault and insult of workers by management, employees refusing to negotiate with the union and failure to reinstate union members.

23/12/84  
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By SANDILE MEMELA

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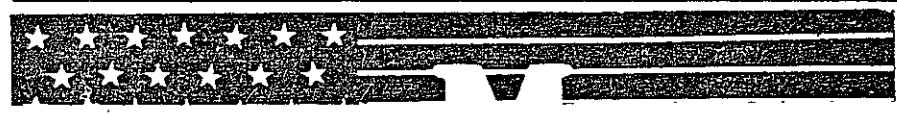
This allegedly includes the dismissal of long-service employees, the assault and insult of workers by management employees, refusing to negotiate with the union and failure to reinstate union members.

## ★ 'Let SA read it!'

THE publishers of a black scholar's best-selling book, which was banned last week, lodged an appeal with the Publications Control Board this week.

Theory and Practice of Black Resistance to Apartheid by Dr Mokgethi Motlhabi, published in August, is a penetrating social-ethnical analysis which spotlights the ANC, PAC and the Black Consciousness Movement between 1948 and 1978 in their fight for the total liberation of South Africa.

Skotaville also revealed that another of its best-sellers, Bishop Desmond Tutu's Hope and Suffering, has been published in the United Kingdom and the United States.



# UDF man gone



CHARLES NQAKULA: Missing.

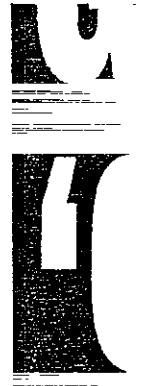
FRIENDS and relatives are worried over the mysterious disappearance of former Mswa acting president and UDF Border publicity secretary Charles Nqakula.

Mr Nqakula was due to stand trial on a charge of entering South Africa without a visa on November 28, but he failed to appear in the East London Magistrate's Court.

A warrant of arrest was authorised and his R200 bail was provisionally estreated until December 12.

But he failed to appear again.

Police believe Mr Nqakula may have skipped the country, but friends and relatives fear that he could be in detention.



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# AGRICULTURE - DAIRY PRODUCTS

1985

1. Additional allowance - Bicycle allowance

Footnotes

AREA D: Port Shepstone and Municipal Areas: Bethlehem, Empangeni, Harrismith, Koonstad, LadySmith, Middelburg, Pietersburg, Richards Bay and Rustenburg

AREA C: Worcester Municipal Area: Newcastle

AREA B: Bloemfontein, Kimberley, Klerksdorp, Odendaalsrus, Pietermaritzburg, Potchefstroom, Virginia and Welkom  
Municipal Areas: Beacon Bay, East London and Witbank.

AREA A: Alberton, Benoni, Boksburg, Brakpan, Germiston, Johannesburg, Kempton Park, Krugersdorp, Nigel, Oberholzer, Port Elizabeth, Pretoria, Randburg, Randfontein, Rodepoort, Sasolburg, Springs, Uitenhage, Vanderbijlpark, Vereeniging, Westonaria, Wonderboom, Durban, Inanda and Pinetown (excluding those portions of the last-mentioned three districts that fall within a radius of 24,14 km of the General Post Office, Durban)

Superseding w.d. no: 343

403 - LAUNDRY, DRY CLEANING AND DYEING TRADE, CERTAIN AREAS.



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 cooperation 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.



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# Milk price war rages in Gonubie

3 Dairy D. Asputh  
31/1/85

By BILL GODDARD

EAST LONDON — A milk price war has erupted in Gonubie, which has enabled some stores to slash 30 to 35 per cent off normal retail prices — a saving of between 25 and 30 cents on a litre.

The dramatic price cutting, which has seen the retail cost of one-litre cartons drop to 55c, has been brought about because of a clash between wholesale suppliers.

Shopkeepers say that Model Dairy of East London and Prospect Dairy of Komga have been engaged in an on-going battle to establish themselves as the major supplier in the town and as a result have enabled retail prices to be reduced to by-gone levels.

A leading price-cutter in the town, Mr A. Loureiro, said yesterday that shop-keepers had to pay 72c a litre for milk from Model Dairy and 70c a litre from Prospect Dairy.

"Then a third party came on the scene — Cross Agencies — who offered us milk at 61c a litre," he said.

Mr Loureiro said the East London-based firm of manufacturers' representatives were marketing milk under the Hillview brand label — a product which the marketing manager of Model Dairy, Mr Pierre Gonneau, yesterday confirmed was nothing more

than milk from his dairy which was being offered under another brand name.

A director of a supermarket, Mr Lionel Giese, said he bought some Hillview cartons and sold them at the same price... "a type of loss-leader."

Store-keepers who predominantly stocked Prospect Dairy milk then approached the managing director of the Komga supplier and pointed out that they could obtain milk at a much cheaper price.

This move was followed by a slight price cut by Prospect Dairy which has enabled some of the large stores in the town to slash their selling price to 55c a litre.

Officials of the Dairy Board said there was nothing they could do about the wholesale-retail price war because Gonubie fell within the boundaries of the East London area which was not governed by price control on milk.

Mr Gonneau denied that Model Dairy was involved in the price war and said it was purely a matter between Prospect Dairy and Cross Agencies.

"We merely supply and pack the milk for Cross Agencies and they handle the marketing and distribution," he said.



Three brands of milk selling in Gonubie — the prices of the two left and centre have been slashed.

The head of Cross Agencies, Mr Roger Randall, would not say whether or not, he had made the same offer to retailers in East London, nor would he say if he would supply them if they asked for stocks at the 61c price.

Several East London shopkeepers who were found to have Hillview brand milk in their stores said they were paying 72c a litre.

Many of the shopkeepers in Gonubie see the price cutting of Hillview milk as an attempt to squeeze out Prospect.

"Model Dairy couldn't very well cut the price on their own brand name otherwise there would have been an uproar from shopkeepers in East London," said one shop owner.

## Internal air fares up

CAPE TOWN — South African Airways domestic and international air fares and cargo tariffs will be increased by between eight per cent and 15 per cent from tomorrow, the Minister of Transport Affairs, Mr Hendrik Schoeman, announced yesterday.

The Progressive Federal Party's spokesman on Transport Affairs, Mr John Malcomess, said the increases seemed to indicate that the government was fighting harder for inflation than against it. — PS-SAPA.

More details P6.

5

# Dairy: no milk monopoly in EL

5/2/85  
3 Dairy D. Dispatch

EAST LONDON — The general manager of the Model Dairy here, Mr W. D. Marshall, denied yesterday that a municipal by-law gave it a milk monopoly in the city.

He said there was nothing to stop any other dairy pasteurising milk in the city.

He also said the dairy had not asked the city council to pass the municipal regulation that forbids the sale of milk in East London unless it had been pasteurised in East London.

In a statement released to the Daily Dispatch yesterday Mr Marshall said:

"The Model Dairy has nothing whatsoever to do with the so-called milk price war in Gonubie. The facts are that we sell milk in bulk to Cross Agencies, who market that milk under their own label under the name Hillview Farm Milk. We also market Model Dairy milk in Gonubie.

"I understand that Prospect Dairies in Komga were selling their milk to the Gonubie shopkeepers at a few cents a litre less than Hillview's ruling price. This resulted in Hillview dropping its price in order to enter the Gonubie market and I understand that both Hillview and Prospect are now supplying milk to the Gonubie shopkeepers at 61c a litre.

"I do not believe there is any price war between Prospect and Hillview. However, a price war may exist between shops in the area as they sell

milk below 61c in some cases

"In other cases some shops are still selling Hillview milk and Prospect milk to the public at the same price as they are selling Model Dairy milk, namely 79c a litre.

"Secondly, I would like to deal with the 'monopoly' we are alleged to have in East London.

"I would like to make it clear that the Model Dairy did not ask the East London City Council to pass the municipal regulation which forbids the sale of milk in East London unless it has been pasteurised in East London.

"This by-law has in fact caused us a certain amount of expense and inconvenience. We would ourselves prefer to process our milk in King William's Town, as this would make the distribution of our milk throughout the Border area more economical, but we cannot do so in view of the by-law.

"Be that as it may, we believe that from the point of view of health and policing of hygiene rules, the by-law is justified.

"It is incorrect to say that the by-law gives Model Dairy a monopoly in East London. There is nothing to stop Prospect Dairy or any other dairy from pasteurising their milk in East London and competing with us.

"Nowhere in the Republic are the wholesale or retail prices of milk controlled.

"In some areas (but not in East London) the price which the farmer

gets for his milk is controlled.

"It should be remembered that we have recently increased the retail and wholesale prices of our milk and that a price increase is expected to be implemented by the major dairies in the other cities in South Africa within the next few weeks. A major contributing factor is the effect of the dollar-rand exchange rate on one-way containers.

"Our retail price for milk delivered to householders is 69c a litre. This was increased from 64c a litre in November 1984.

"For the purpose of comparison the prices being charged at other centres for milk delivered to householders is:

- Port Elizabeth (United Dairies) — 69c a litre
- Witwatersrand (Nels Dairy) — 68c a litre
- Durban (Clover) — 70c a litre
- Cape Town (Van Riebeeck) — 69c a litre.

"It should be borne in mind that these prices are all likely to be increased.

"Model Dairy is East London orientated. We provide jobs for about 300 employees, of whom about 100 are involved in household deliveries. We have just spent half a million rands on the purchase and installation of a plant to produce long-life milk. This will create more jobs for East Londoners. We believe that we are an asset to the community."

See also page 3.



Price of <sup>slow 3</sup> milk up on <sup>day</sup> Monday ~~12/2/87~~

Pretoria Correspondent

The price of milk will go up by 2 c/l on Monday.

Supermarkets have confirmed that their milk suppliers have told them their price will rise by about three percent.

According to supermarkets, the increase results from the weak rand and the cost of importing packaging.

The increase will affect all milk products, including maas, yoghurt and buttermilk.

A supermarket spokesman said that further milk price increases were expected as the new price did not take into account the higher cost of petrol.

16/2/85

# Call for price control as milk goes up again

The Housewives' League has called for the reintroduction of price control on fresh milk and an investigation into its distribution.

The call comes after reports that the wholesale price of fresh milk will rise by 2 c a litre on Monday because of the weak rand and the cost of importing packaging.

The league's national president, Mrs Joy Hurwitz, said it would now urge the reintroduction of control, which was lifted in 1983.

Increases might not be passed on to consumers by all retailers. Some supermarkets have said they will absorb the rise.

The price of bottled milk will not be increased, according to Mr Nic Pieterse, group marketing manager of a major distributor.

He said suppliers of milk in cartons have had to increase their price by between 2½ c and 3,2 c because of the rand/dollar exchange rate. "And we had to increase the wholesale price by 2 c a litre."

Mrs Hurwitz said the retail price of milk had continued to rise since it was decontrolled. "Milk has become a luxury in many households, yet it is one of the most basic necessities of life, particularly for growing children.

"We have always said the price of milk should be kept to a minimum, and production and distribution costs cut. The distributors are making a profit and the farmers are struggling. Milk is clearly one area where middlemen are benefiting."

Book Trends  
Settlement

CAPE TOWN - The liquidation  
of Book Trends (Pty) Ltd, the  
company liquidated in Novem-  
ber last year by Cape Town  
Tony Ash-

# Milk a health hazard in Ciskei

By BILL GODDARD

EAST LONDON — Ciskei authorities are sitting on a potential health hazard, but admit they can do nothing about it.

The hazard is the enormous quantity of unpasteurised milk which hundreds of Ciskeians consume every day — milk which carries the threat of sparking off a typhoid fever or brucellosis epidemic.

The liaison officer for the Ciskei government, Mr Wessel van Wyk, said: "Our health officials are gravely aware of the problem, but do not have the manpower to police and check it."

Mr Van Wyk said it was illegal to sell unpasteurised milk in Ciskei, "but the bulk of the population do not seem to be aware of the dangers which accompany drinking 'straight-from-the-cow' milk.

"I suppose the human factor is the main reason because a consumer can get it at a much cheaper price than milk distributed by a recognised dairy," he said.

Mr Van Wyk said Ciskei health authorities were well aware many people were buying milk direct from farmers on the South African side of the border and taking it

to their homes.

He conceded that an outbreak of typhoid in a high density population area like Mdantsane could have extremely serious repercussions.

Mr Van Wyk said that while it was illegal to sell unpasteurised milk in Ciskei, there was no law to prevent people drinking it.

"We conduct an ongoing campaign to educate people against the dangers of consuming raw milk and emphasise that if they have to use it they should boil it beforehand," he said.

South African health authorities told me unpasteurised milk was a prime conveyor of typhoid fever, brucellosis and tuberculosis.

One senior health official said the public was fairly well conversant with the effects and possible results of typhoid and TB, "but brucellosis is a fairly recently discovered disease.

"It is an inter-cellular bacteria which is transmitted to humans through infected milk — and there is no known antidote," he said.

The health spokesman said people who contracted brucellosis were

normally reasonably fit and healthy. Symptoms of the disease were weakness, fatigue, pains in the joints, depression and extreme sensitivity to trauma or blows on the body.

He added that there was no definite immunity to the disease as relapses were known to occur.

The regional director of state health, Dr J. Krynanaw, said from Port Elizabeth there was no law against a farmer selling milk direct to the public.

"If, however, he is a registered dairy farmer, his farm and herd have to meet all local health regulations," he said.

"But the public should be warned that buying and consuming unpasteurised milk is extremely dangerous and is done so entirely at their own risk."

Records show that the last major outbreak of typhoid fever occurred in Transkei early last year when 35 confirmed cases were registered in the Qumbu and Mount Frere districts.

Transkei health officials, however, put those cases down to poor sanitation and unprotected water resources.

# Only one dairy puts up bottled milk price

191 2185  
By Jackie Unwin

Although most dairies in the Johannesburg area have not increased the price of milk supplied in bottles, Douglasdale Dairy in Bryanston has put up the price of its bottled milk by 2c.

The wholesale price of fresh milk supplied in packages went up by 2c a litre yesterday because of the effect of the weak rand on the cost of importing packaging.

Douglasdale Dairy also increased its prices per bottled litre from 68c to 70c.

Mr Duncan Dewar, a spokesman for Douglasdale Dairy, said the increase was to cover the increased cost of petrol.

A spokesman for Nel's Dairy, Mr Andre du Toit, said its bottled milk would remain at 68c and he knew of no other dairy other than Douglasdale Dairy in the region which had increased its bottled milk price.

The price of bottled milk would not be increased, according to Mr Nic Pieterse, the marketing manager of a major distributor.

He said suppliers of milk in cartons had had to increase their price by between 2½c and 3,2c because of the rand/dollar exchange rate. And we had to increase the wholesale price by 2c a litre.

The retail price was not controlled, and whether consumers would be affected would depend on whether retailers could absorb the increase.

males will amount to R164 million during the 1985/86 financial year.

- (b) From 1 April 1985.  
(2) No, not at this stage.

**Agricultural Pests Act**

320. Mr R P C ROGERS asked the Minister of Agricultural Economics:

Whether his Department has taken any action against persons who contravened the provisions of the Agricultural Pests Act, No 36 of 1983, since the inception of this legislation; if so, (a) against how many persons were such steps taken, (b)(i) for what offences, and (ii) what were the penalties imposed, in each case and (c) in respect of what date is this information furnished?

**The MINISTER OF AGRICULTURAL ECONOMICS:**

Yes.

- (a) One company was charged in connection with six contraventions of the Agricultural Pests Act, 1983;  
(b) (i) Contraventions of the provisions of section 3(1) of the Act in connection with the importation of controlled goods.  
(ii) R100,00 admission of guilt in respect of each charge;

- (c) 1 February 1984 to date

393. Mr P A MYBURGH asked the Minister of Agricultural Economics:

(a) What was the producer's price of (i) fresh milk and (ii) industrial milk as at 1 June 1984 and (b) what price increases have come into effect in respect of each category since that date?

**The MINISTER OF AGRICULTURAL ECONOMICS:**

	Cents per litre
Bloemfontein area . . . . .	38,85
Cape Peninsula area . . . . .	44,35
Natal area . . . . .	39,35
Northern Natal area . . . . .	39,35
Transvaal area . . . . .	39,85
Western Transvaal area . . . . .	39,35

(ii) The compensation is based on the quality components of industrial milk at 373 cents per kilogram buttermilk and 373 cents per kilogram protein.

(b) Fresh milk:

	Cents per litre from 1 July 1984
Bloemfontein area . . . . .	3,0
Cape Peninsula area . . . . .	0
Natal area . . . . .	3,0
Northern Natal area . . . . .	3,0
Transvaal area . . . . .	3,0
Western Transvaal area . . . . .	3,0

**Industrial milk:**

21 cents per kilogram butterfat and 21 cent per kilogram protein with effect from 1 July 1984.

**Commissions/departmental committees**

416. Mr K M ANDREW asked the Minister of Agricultural Economics:

- (1) How many (a) commissions and (b) departmental committees of inquiry were appointed in respect of the Department of Agricultural Economics and Marketing in 1984;  
(2) whether any of the reports of such commissions and committees have been made public; if so, (a) how many and (b) of which commissions and committees;  
(3) whether any of the reports of such commissions and committees have been made public; if so, (a) how many and (b) of which commissions and committees;  
(4) what is the total estimated cost relating to each of these commissions and committees?

**The MINISTER OF AGRICULTURAL ECONOMICS:**

- (1) None.

- (2), (3) and (4) Fall away.

**Tobacco farmers: financial assistance**

430. Dr M S BARNARD asked the Minister of Agricultural Economics:

Whether his Department provides any financial assistance to tobacco farmers; if so, (a) why, (b) to how many and (c) what was the total amount of assistance provided in the latest specified 12-month period for which figures are available?

**The MINISTER OF AGRICULTURAL ECONOMICS:**

No.

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**Barnard, Mr S P—**

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Finance, 15

**Eglin, Mr C W—**

Constitutional Development and Planning, 228  
Co-operation, Development and Education, 294  
Foreign Affairs, 69, 70

The MINISTER OF AGRICULTURAL ECONOMICS:

EXPENDITURE OF AGRICULTURAL MARKETING BOARDS, 1983/84

	(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	17 491 618	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:

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:

(a) R1 057 million in respect of 1984.

(b) R 289 million in respect of 1984.

*Bread/margarine/butter: subsidies*  
*28/2/85*  
 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.

Agricultural production not under control of boards

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)	(iii)
	Quantity	Total Value
		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	470
Milkpowder	110 653 kg	162 856
Wheat	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 est-

HoA



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
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Karakul Board	440 552	333 301
Cotton Board	8 734 775	8 368 163
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Maize Board	154 248 876	146 396 211
Oil Seeds Board	10 201 424	6 828 433
Banana Board	1 585 161	417 113
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Rooibos Tea Control Board	2 515 445	2 194 403
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Citrus Board	4 062 663	595 958
Dairy Board	1 160 365	430 422
SA Wool Board	43 455 415	40 318 641
Mohair Board	23 213 459	20 112 044
Tobacco Board	709 544	396 629
Meat Board	12 151 950	11 771 118
	28 415 383	18 957 105

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- (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.

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The MINISTER OF TRANSPORT AFFAIRS:

- (1) Yes.
- (a) An additional 1,946 cent per litre which according to esti-

allocated and (b) when was it or is it to be allocated;

- (2) whether he will make a statement on the matter?

HoA

mates will amount to R164 million during the 1985/86 financial year.

- (b) From 1 April 1985, No. not at this stage.

Agricultural Pests Act

(2) Mr R P C ROGERS asked the Minister of Agricultural Economics:

Whether his Department has taken any action against persons who contravened the provisions of the Agricultural Pests Act, No 36 of 1983, since the inception of this legislation; if so, (a) against how many persons were such steps taken, (b) for what offences, and (i) what were the penalties imposed, in each case and (c) in respect of what date is this information furnished?

THE MINISTER OF AGRICULTURAL ECONOMICS:

Yes.

- (a) One company was charged in connection with six contraventions of the Agricultural Pests Act, 1983;

- (b) (i) Contraventions of the provisions of section 3(1) of the Act in connection with the importation of controlled goods.  
(ii) R100,00 admission of guilt in respect of each charge;

(c) 1 February 1984 to date.

Mr P A MYBURGH asked the Minister of Agricultural Economics:

- (a) What was the producer's price of (i) fresh milk and (ii) industrial milk as at 1 June 1984 and (b) what price increases have come into effect in respect of each category since that date?

THE MINISTER OF AGRICULTURAL ECONOMICS:

(a)	(i)	Cents per litre
Bloemfontein area	38,85	
Cape Peninsula area	44,35	
Natal area	39,35	
Northern Natal area	39,35	
Transvaal area	39,85	
Western Transvaal area	39,35	

(ii) The compensation is based on the quality components of industrial milk at 373 cents per kilogram butterfat and 373 cents per kilogram protein.

(b) Fresh milk:

	Cents per litre from 1 July 1984
Bloemfontein area	3,0
Cape Peninsula area	0
Natal area	3,0
Northern Natal area	3,0
Transvaal area	3,0
Western Transvaal area	3,0

Industrial milk:

21 cents per kilogram butterfat and 21 cents per kilogram protein with effect from 1 July 1984.

Commissions/departmental committees

416. Mr K M ANDREW asked the Minister of Agricultural Economics:

- (1) How many (a) commissions and (b) departmental committees of inquiry were appointed in respect of the Department of Agricultural Economics and Marketing in 1984;

- (2) whether any of the reports of such commissions and committees have been completed; if so, (a) how many and (b) of which commissions and committees;

- (3) whether any of the reports of such commissions and committees have been made public; if so, (a) how many and (b) of which commissions and committees;

- (4) what is the total estimated cost relating to each of these commissions and committees?

THE MINISTER OF AGRICULTURAL ECONOMICS:

- (1) None.

- (2), (3) and (4) Fall away.

Tobacco farmers: financial assistance

430. Dr M S BARNARD asked the Minister of Agricultural Economics:

Whether his Department provides any financial assistance to tobacco farmers; if so, (a) why, (b) to how many and (c) what was the total amount of assistance provided in the latest specified 12-month period for which figures are available?

THE MINISTER OF AGRICULTURAL ECONOMICS:

No.

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Own Affairs:  
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Barnard, Mr S P—

Defence, 47  
Finance, 15

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Constitutional Development and Planning, 228  
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Foreign Affairs, 69, 70

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EXPENDITURE OF AGRICULTURAL MARKETING BOARDS, 1983/84

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Meat	214 tons	428 058

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- 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 est

# Milk price rise on ~~2/28~~ the cards <sup>3 Dairy</sup> Star Pretoria Bureau 12/3/75

A milk price increase would be discussed at a Dairy Board meeting today, the board's general manager said.

Mr Eddie Roux said, however, that it was unlikely a final decision would be made today.

"We are watching the milk supply situation closely," he said.

"Production is declining and we are moving away from surplus. This means there is a greater chance of a price increase."

The dairy committee of the South African Agricultural Union approached the board last month for a producer price increase. Dairy farmers are losing at least 3 cents a litre on present prices.

(iii) White, Coloured and Indian  
R7 470×312-8 406×414-10 890×  
570-12 600 + 12% pensionable  
allowance.

Black  
R6 846×312-8 406×414-10 890-  
11 460 + 12% pensionable al-  
lowance.

(iv) White, Coloured and Indian  
R10 890×570-16 020 + 12%  
pensionable allowance.

Black  
R10 062×414-10 890×570-14 880  
+ 12% pensionable allowance.

(v) White, Coloured, Indian and  
Black  
R16 020-16 590×849-19 137 +  
12% pensionable allowance.

(vi) White  
R24 231-25 080-26 115 + 12%  
pensionable allowance.

(2) (a) R56,7 million.

(b) The implementation of a further  
phase of the programme to elim-  
inate the salary gap will be con-  
sidered in the light of available  
funds when occupational specific  
market related investigations are  
undertaken according to needs  
and/or general salary adjust-  
ments can be effected.

(3) whether any South African individ-  
uals or companies acted as agents in  
any of these transactions; if so, what  
are their names;

(4) whether milk-powder is being export-  
ed at present; if so, at what price;

(5) whether any South African individ-  
uals or companies are acting as  
agents in such transactions at present;  
if so, what are their names;

(6) whether this milk-powder is being ex-  
ported as a loss; if so, (a) what is the  
nature of the loss and (b) how will  
this loss be recouped?

**The MINISTER OF AGRICULTURAL  
ECONOMICS:**

(1) (a) 34 352 ton.

(b) 28 984 ton.

for the period 1 March 1984 un-  
til 28 February 1985.

(2) No lawful imports occurred.

(3) Fall away.

(4) Yes, at approximately 615 Dollar  
(USA) per ton.

(5) No.

(6) Yes.

(a) Approximately R2,30 per kg.

(b) The loss is recouped from the  
Stabilisation Fund of the Dairy  
Board.

**Milk-powder**

516. Mr D J N MALCOMESS asked the  
Minister of Agricultural Economics:

(1) Whether milk-powder is being ex-  
ported at a profit; if not,

(2) whether a levy is charged on fresh

milk in order to recover the loss; if  
so, (a) what amount (i) had been re-  
covered and (ii) remained to be re-  
covered as at the latest specified date  
for which figures are available and  
(b) when is it anticipated that this  
levy will be discontinued?

**The MINISTER OF AGRICULTURAL  
ECONOMICS:**

(1) No.

(2) Yes.

(a) 2 cents per litre on fresh milk  
and industrial milk.

(i) R36 million was recovered  
and spent on the disposal of  
surpluses until 28 February  
1985.

(ii) R60 million remains to be  
recovered during the period  
1 March 1985 until approxi-  
mately 28 February 1987 to  
dispose of present surpluses  
and to repay a land Bank  
loan of R32 million which  
was utilized during the year  
ending 29 February 1984 for  
the disposal of surpluses.

(b) It is anticipated that the levy will  
be discontinued after approxi-  
mately two years if no further  
surpluses are produced.

519. Dr A L BORRAINE asked the Minis-  
ter of Manpower:

(a) How many Black apprenticeship  
contracts were in operation in 1984 and  
(b) how many were registered in respect  
of each trade?

**The MINISTER OF MANPOWER:**

(a) Statistics concerning the contracts in  
operation are not kept on a popu-  
lation group basis and those in re-  
spect of members of the Black Popu-

lation Groups are therefore not kept  
separately.

(b) Falls away.

**Veterinarians**

540. Mr E K MOORCROFT asked the  
Minister of Agricultural Economics:

(a) How many (i) White, (ii) Black, (iii)  
Coloured and (iv) Asian veterinarians are  
registered in the Republic at present and  
(b) in respect of what date is this informa-  
tion furnished?

**The MINISTER OF AGRICULTURAL  
ECONOMICS:**

(a) There are 1 354 registered veterinari-  
ans in the Republic of South Africa.  
The records of the South African  
Veterinary Council do not distinguish  
between (i) White, (ii) Black, (iii)  
Coloured and (iv) Asian veterinar-  
ians.

(b) The information is furnished as on 1  
February 1985.

554. Dr A L BORRAINE asked the Minis-  
ter of Manpower:

(1) (a) How many facilities for sheltered  
employment are there under the con-  
trol of his Department and (b) where  
are they situated in each case;

(2) how many persons were employed in  
each such facility as at the latest  
specified date for which figures are  
available;

(3) whether persons employed in shel-  
tered employment facilities qualify  
for benefits available to Government  
employees; if so, for which benefits;  
if not, why not;

(4) (a) what is the maximum hourly wage  
paid to such persons and (b) what (i)  
annual and (ii) sick leave are these  
persons allowed.

3  
D. Dewey  
Milk-powder  
Q. Co. 18/3/85  
18/3/85

(1) How many milk-powder was (a) pro-  
duced and (b) sold in the Republic in  
1984;

(2) whether milk-powder was imported  
in this year; if so, (a) by whom, (b)  
from what country or countries and  
(c) at what price in each case;

519  
H. Dewey  
Apprenticeship contracts  
Q. Co. 18/3/85  
18/3/85

(a) How many Black apprenticeship  
contracts were in operation in 1984 and  
(b) how many were registered in respect  
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from what country or countries and  
(c) at what price in each case;

(3) whether any South African individ-  
uals or companies acted as agents in  
any of these transactions; if so, what  
are their names;

(4) whether milk-powder is being export-  
ed at present; if so, at what price;

(5) whether any South African individ-  
uals or companies are acting as  
agents in such transactions at present;  
if so, what are their names;

(6) whether this milk-powder is being ex-  
ported as a loss; if so, (a) what is the  
nature of the loss and (b) how will  
this loss be recouped?

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(2) whether a levy is charged on fresh

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so, (a) what amount (i) had been re-  
covered and (ii) remained to be re-  
covered as at the latest specified date  
for which figures are available and  
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levy will be discontinued?

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and to repay a land Bank  
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was utilized during the year  
ending 29 February 1984 for  
the disposal of surpluses.

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be discontinued after approxi-  
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surpluses are produced.

519. Dr A L BORAINÉ asked the Minis-  
ter of Manpower:

(a) How many Black apprenticeship  
contracts were in operation in 1984 and  
(b) how many were registered in respect  
of each trade?

The MINISTER OF MANPOWER:

(a) Statistics concerning the contracts in  
operation are not kept on a popu-  
lation group basis and those in re-  
spect of members of the Black Popu-

lation Groups are therefore not kept  
separately.  
(b) Falls away.

Veterinarians

540. Mr E K MOORCROFT asked the  
Minister of Agricultural Economics:

(a) How many (i) White, (ii) Black, (iii)  
Coloured and (iv) Asian veterinarians are  
registered in the Republic at present and  
(b) in respect of what date is this informa-  
tion furnished?

The MINISTER OF AGRICULTURAL  
ECONOMICS:

(a) There are 1 354 registered veterinar-  
ians in the Republic of South Africa.  
The records of the South African  
Veterinary Council do not distinguish  
between (i) White, (ii) Black, (iii)  
Coloured and (iv) Asian veterinar-  
ians.

(b) The information is furnished as on 1  
February 1985.

554. Dr A L BORAINÉ asked the Minis-  
ter of Manpower:

(1) (a) How many facilities for sheltered  
employment are there under the con-  
trol of his Department and (b) where  
are they situated in each case;

(2) how many persons were employed in  
each such facility as at the latest  
specified date for which figures are  
available;

(3) whether persons employed in shel-  
tered employment facilities qualify  
for benefits available to Government  
employees; if so, for which benefits;  
if not, why not;

(4) (a) what is the maximum hourly wage  
paid to such persons and (b) what (i)  
annual and (ii) sick leave are these  
persons allowed;

*Denny Howard*  
Milk-powder 18/3/85

*Howard Q. 61. 701*  
Apprenticeship contracts  
18/3/85

*Howard Q. 61. 702*  
Sheltered employment  
18/3/85

HOA

HOA

The MINISTER OF COMMUNICATIONS:

- (a) (i) 96, and
- (ii), (iii) and (iv) none; and
- (b) motor mechanic (55), diesel mechanic (15), carpenter (12), painter/decorator (5), plumber (6), and welder (3);

As at 28 February 1985.

*3 Barry*  
*Q. de. 775*  
 Milk-powder 19/3/85  
 578. Mr H H SCHWARZ asked the Minister of Finance:

What (a) total quantity of milk-powder was (i) exported and (ii) imported from 1 December 1983 to the latest specified date for which figures are available and (b) was the value of the milk-powder (i) exported and (ii) imported during that period?

The MINISTER OF FINANCE:

The export and import statistics in respect of milk-powder for the period 1 December 1983 to 30 November 1984 are as follows:

- (a) (i) 11 982 980 kg;
- (ii) 5 626 486 kg;
- (b) (i) R10 691 859;
- (ii) R4 709 808.

Publications: cost

600. Mr H H SCHWARZ asked the Minister of Finance:

What was the total cost of all the publications which were published by the various Departments of State in the latest specified financial year for which figures are available?

The MINISTER OF FINANCE:

The expenditure-item "publications" forms an integral part of the standard item: "Stores and livestock" of the standardized item structure on the various votes of State Departments. Details of actual expenditure on publications can, therefore, only be furnished by individual Departments.

Lenasia/Soweto: telephones

612. Mr A B WIDDMAN asked the Minister of Communications:

How many telephones were installed in 1984 in Lenasia and Soweto, respectively, for (a) private and (b) business purposes?

The MINISTER OF COMMUNICATIONS:

Lenasia	(a)	(b)
Soweto	386	204
	26 845	2 107

Note: The information furnished is in respect of main services only and includes transfers. The available statistics of telephones other than main services do not distinguish between services for private and business purposes.

Mitchell's Plain: telephones

613. Mr A B WIDDMAN asked the Minister of Communications:

How many public telephones were there in Mitchell's Plain as at 31 December 1984?

The MINISTER OF COMMUNICATIONS:

113.

Recruitment of personnel

615. Maj R SIVE asked the Minister of Communications:

What amount was spent in the 1983-84

financial year on (a) advertising and (b) publicity for the recruitment of personnel for the Post Office?

The MINISTER OF COMMUNICATIONS:

- (a) R14 750.00; and
- (b) R137 750.00.

Gas

629. Mr D J N MALCOMESS asked the Minister of Mineral and Energy Affairs:

- (1) (a) How many holes have produced gas off Mossel Bay, (b) what was the tested volume for each of these holes and (c) when were these holes drilled in each case;
- (2) what volume of gas had been discovered off the coast of South West Africa as at the latest specified date for which figures are available?

The MINISTER OF MINERAL AND ENERGY AFFAIRS:

- (1) (a) 14.
- (b) As a result of existing involvement of the private sector and possible further private sector participation Soekor is under obligation not to make public information regarding tested volumes. Of the 14 wells, 9 are classified as potentially commercial gas producers and 1 as a non-commercial gas producer while in 4 gas shows have been encountered.

- (c) Well
- F-A2 Date completed
- F-A5 10 Jan 1981
- F-A6 12 Apr 1981
- F-A4 15 Jul 1981
- F-A3 17 Aug 1981
- F-A8 2 Nov 1981
- F-A9 13 Jan 1982
- F-A10 15 May 1982
- 27 Nov 1983

E-M1	10 Feb 1981
E-M2	2 April 1984
E-M4	15 Aug 1984
E-A12	9 Oct 1984
E-M5	8 Dec 1984
F-A13	15 Jan 1985

- (2) Not known as the only well has not been completely tested

Gas

630. Mr D J N MALCOMESS asked the Minister of Mineral and Energy Affairs:

Whether any body or organization has been appointed to investigate the viability of the gas finds off Mossel Bay; if not, why not; if so, (a) what has been appointed to conduct, and (b) what is the estimated costs of, this investigation?

The MINISTER OF MINERAL AND ENERGY AFFAIRS:

Yes.

(a) For the investigation regarding the exploitation and conversion of the Gas, Foster Wheeler Energy and Bantam Engineering were appointed jointly for the onshore plant and infrastructure, and Enso, a company jointly owned by Engineering Management Services and John Brown Engineers and Constructors for the offshore installations.

- (b) R2 228 000 million.

*234*  
*National service; detention*  
*9 Feb. 778*  
 653. Mr P R C ROGERS asked the Minister of Defence:

(a) How many national servicemen were in detention barracks as at 1 December 1984 and (b)(i) for what periods and (ii) on what charges had they been sentenced in each case?

The MINISTER OF DEFENCE:

- (a) 378.

*5*

The MINISTER OF COMMUNICATIONS:

- (a) (i) 96, and
- (ii) (iii) and (iv) none; and

- (b) motor mechanic (55), diesel mechanic (15), carpenter (12), painter/decorator (5), plumber (6), and welder (3);

As at 28 February 1985.

*3 Dewey Hansen*  
*Q. A. 19/3/85*  
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(b) R2 228 000 million.

*Hansen*  
 National servicing; detention  
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(a) How many national servicemen were in detention barracks as at 1 December 1984 and (b)(i) for what periods and (ii) on what charges had they been sentenced in each case?

The MINISTER OF DEFENCE:

- (a) 378.



this period; if not, why not; if so, (a) in what manner and (b) what is the minimum period they have to serve before they may leave the Force;

- (3) (a) what percentage of women who were trained at this college and who subsequently attested, remained in the Permanent Force after the expiry of their initial training period, during the latest specified period of five years for which figures are available and (b) in what capacities do or did they serve?

**THE MINISTER OF DEFENCE:**

- (1) Only other ranks are attested under oath in the Permanent Force. Women who attest directly in the Permanent Force, i.e. not from the ranks of the SA Army Women's college, are not trained at the SA Army Women's College.

- (2) (a) and (b) Permanent Force other ranks do not attest for a fixed period. They can purchase their discharge at any time.

- (3) (a) For the period 1980 to 1984—15%

- (b) Women are only utilized in the supporting services of the SA Defence Force such as personnel, stores and finance functions; signallers, etc.

*Handwritten: 677. Mr R W HARDINGHAM asked the Minister of Co-operation, Development and Education:*

- (a) How many applications for the subsidization of farm schools were received by his department in 1984 and (b) what number of pupils benefited from the subsidization of farm schools in that year?

**THE MINISTER OF CO-OPERATION, DEVELOPMENT AND EDUCATION:**

HoA

- (a) 379 in respect of farm school buildings.

- (b) 468 619 pupils.

*Handwritten: 683. Dr M S BARNARD asked the Minister of Agricultural Economics:*

- What was the (a) landed cost of each consignment of maize imported in 1983 and (b)(i) outflow of foreign currency and (ii) extra cost to the taxpayer as a result of these imports?

**THE MINISTER OF AGRICULTURAL ECONOMICS:**

- (a) Figures are not available for the 1983 calendar year. The following contracts were concluded for the importation of maize during the period May 1983 to April 1984.

600 000 tons at R172,74 per ton.  
100 000 tons at R160,09 per ton.  
500 000 tons at R171,09 per ton.  
225 000 tons at R188,91 per ton.  
275 000 tons at R192,15 per ton.  
300 000 tons at R206,20 per ton.  
150 000 tons at R196,02 per ton.  
230 000 tons at R194,71 per ton.

The landed cost consists of the above-mentioned c.i.f. prices plus an average landing cost of R11,34 per ton.

- (b) (i) Total outflow currency until 30 April 1984 amounted to R427,9 million (Landing costs excluded).

- (ii) The deficit on the import account until 30 April 1984 which was borne by the tax payer amounted to R44,5 million. With the inclusion of interest after 30 April 1984, the final deficit amounted to R49 million.

*Handwritten: 692. Mr S S VAN DER MERWE asked the Minister of Transport Affairs:*

- (1) Whether any employees of the South African Transport Services in the Cape Peninsula were victims of crimes of violence while on duty in 1984; if so, (a) how many and (b) what was the nature of the crime in each case;

- (2) whether the South African Transport Services have had to pay any compensation to (a) employees and/or (b) passengers in 1984 as a result of their being victims of such crimes while performing their duties or travelling on trains in the Cape Peninsula; if so, what total amount was paid out in each case;

- (3) at which stations in the Cape Peninsula are there South African Railway Police posts?

**THE MINISTER OF TRANSPORT AFFAIRS:**

- (1) Yes.

- (a) 76.

(b) Attempted murder ..... 1  
Murder ..... 2  
Common assault ..... 41  
Assault with intent to do grievous bodily harm ..... 23  
Robbery ..... 9

- (2) (a) Yes, compensation in terms of the Workmen's Compensation Act, 1941, was paid in five cases:

- (1) R10 093 for total disablement.

- (2) R700 plus R276 per month compensation pension to widow.

- (3) R875 for temporary disablement.

- (4) R63 for temporary disablement.

- (5) R105 for temporary disablement.

The remaining cases are either of a very minor nature for which claims were not instituted or are still being investigated.

- (b) No such claims were instituted.

- (3) Cape Town, Table Bay Harbour, Salt River, Langa, Bontheuwel, Philippi and Bellville.

**Pharmaceutical/homeopathic medicines**

705. Mr W V RAW asked the Minister of Health and Welfare:

- (1) What was the cost of (a) registration and (b) annual renewal of (i) pharmaceutical and (ii) homeopathic medicines as at the latest specified date for which figures are available;

- (2) whether there is any difference in the registration of generic and individually specific medicines in these two categories; if so, what difference?

**THE MINISTER OF HEALTH AND WELFARE:**

- (1) (a) (i) Compounded in entirety in RSA = R500 plus R60 at approval of registration  
—not compounded in entirety in RSA = R1 000 plus R120 at approval of registration;

- (ii) compounded in entirety in RSA = R500 plus R60 at approval of registration

- not compounded in entirety in RSA = R1 000 plus R120 at approval of registration;

- (b) (i) compounded in entirety in RSA = R60;

- (ii) not compounded in entirety in RSA = R120.

- (2) Currently, no.

HoA

**The MINISTER OF CO-OPERATION AND DEVELOPMENT:**

(1) (a) Approximately 240 000.

(b) 31 January 1985.

(2) (a) No. A hospital (800 beds) is under construction.

(b) Falls away.

(c) Yes. There are one 23 bed clinic and 2 day clinics.

(3) (a) A total of thirteen medical practitioners serve the area.

(b) None. Dentists do however visit the town regularly.

(c) None. There are however 42 qualified nurses, 13 staff nurses, 6 assistant nurses, 22 family planning officers, and 2 health inspectors active in the area.

(d) 3.

(4) 2 000.

(5) Yes. (a) and (b) Fall away.

*3* *Downs*  
Surplus products: welfare organizations  
*Howard Q. Co. 9/85*  
353. Mr E K MOORCROFT asked the Minister of Agricultural Economics:

(1) Whether any surplus (a) dairy and (b) meat products produced in the Republic and marketed through control boards were distributed to (i) the underprivileged and (ii) welfare organizations in 1984; if so,

(2) what (a) were the quantities and (b) was the estimated total value of the (i) dairy and (ii) meat products so distributed?

**The MINISTER OF AGRICULTURAL ECONOMICS:**

(1) (a) No, but during the period 1 March 1984 until 31 January

1985 the Dairy Board sold milk powder to welfare organizations at an average of R1,47 per kg below the normal selling price.

(b) No, but during the period 1 January 1984 until 31 December 1984 the Meat Board sold meat at reduced prices to homes for the aged, orphanages and institutions for the disabled.

(2) (a) (i) 110 653 kg.

(ii) 162 041 kg.

(b) (i) R162 856.

(ii) R84 796.

*Howard Q. Co. 9/4/85*  
Internal Security Act  
330. Mrs H SUZMAN asked the Minister of Law and Order:

(1) Whether he has received any representations for payment of allowances to detainees held under the Internal Security Act, No 74 of 1982; if so, how many as at the latest specified date for which figures are available;

(2) whether any of these persons were granted allowances; if not, why not; if so, how many in each specified year for which figures are available;

(3) Whether any allowances are being paid to detainees; if so, (a) to whom and (b) what total amount had been so paid as at the latest specified date for which figures are available?

**The MINISTER OF LAW AND ORDER:**

(1) Yes, since the commencement of the Act to 1985-02-27 representations were received from 12 persons.

(2) Yes. In respect of one person an amount of R5,00 per day was paid for the period 1984-07-01 to 1984-10-10. Representations from three persons

were received after they had been released, while the representations of seven persons were still being considered when they were released, consequently it could not in terms of the Act be considered favourably. The application of the other person was after thorough consideration refused, as I was satisfied that no need existed for the payment of such an allowance.

(3) No.

*Howard Q. Co. 9/4/85*  
Prisoners: work-days  
371. Mrs H SUZMAN asked the Minister of Justice:

(a) What was the total number of work-days spent by prisoners on hire to private persons, including farmers, in 1984 and (b) what was the total amount which accrued to the Prisons Service as payment in that year?

**The MINISTER OF JUSTICE:**

(a) 304. Prisoners only work for half a day on Saturdays. These were however considered as normal work days for the purpose of calculating this total.

(b) An amount of R2 044 888,14 regarding prison labour to hirers was received from 1 January 1984 to 31 December 1984. These monies were paid into the State Revenue Fund.

**Public telephones**

387. Mr P G SOAL asked the Minister of Communications:

(1) What was the estimated cost of replacing public telephones in the Republic in 1984;

(2) whether any steps (a) have been taken or (b) are contemplated to prevent or reduce vandalism in respect of public telephones; if so, (a) what

steps and (b) what is the estimated cost involved?

**The MINISTER OF COMMUNICATIONS:**

(1) R495 000.

(2) (a) and (b) yes:

(a) the application of the latest technologies in order to improve the standard of the coin telephone service, the development of coin telephones that are more vandal-proof, the strategic siting of coin telephones, eg in well-lit positions such as shopping centres, and the use of monitoring equipment in conjunction with the services of departmental investigating officers in problem areas with a view to bringing vandals to justice; and

(b) the steps referred to are taken in conjunction with other activities not related to the combating of vandalism and the costs involved cannot unfortunately be calculated separately.

**Commissions/departmental committees**

402. Mr K M ANDREW asked the Minister of Justice:

(1) How many (a) commissions and (b) departmental committees of inquiry were appointed in respect of his Department in 1984.

(2) whether any of the reports of such commissions and committees have been completed; if so, (a) how many and (b) of which commissions and committees;

(3) whether any of the reports of such commissions and committees have been made public; if so, (a) how many and (b) of which commissions and committees;

(4), what is the total estimated cost relat-

**THE MINISTER OF CO-OPERATION AND DEVELOPMENT:**

- (1) (a) Approximately 240 000.  
 (b) 31 January 1985.
- (2) (a) No. A hospital (800 beds) is under construction.  
 (b) Falls away.  
 (c) Yes. There are one 23 bed clinic and 2 day clinics.  
 (3) (a) A total of thirteen medical practitioners serve the area.  
 (b) None. Dentists do however visit the town regularly.  
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387. Mr P G SOAL asked the Minister of Communications:

- (1) What was the estimated cost of repairing public telephones in the Republic in 1984;  
 (2) whether any steps (a) have been taken or (b) are contemplated to prevent or reduce vandalism in respect of public telephones; if so, (a) what

steps and (b) what is the estimated cost involved?

**THE MINISTER OF COMMUNICATIONS:**

- (1) R495 000;  
 (2) (a) and (b) yes;

(a) the application of the latest technologies in order to improve the standard of the coin telephone service, the development of coin telephones that are more vandal-proof, the strategic siting of coin telephones, eg in well-lit positions such as shopping centres, and the use of monitoring equipment in conjunction with the services of departmental investigating officers in problem areas with a view to bringing vandals to justice; and  
 (b) the steps referred to are taken in conjunction with other activities not related to the combating of vandalism and the costs involved cannot unfortunately be calculated separately.

**Commissions/departmental committees**

402. Mr K M ANDREW asked the Minister of Justice:

- (1) How many (a) commissions and (b) departmental committees of inquiry were appointed in respect of his Department in 1984.

(2) whether any of the reports of such commissions and committees have been completed; if so, (a) how many and (b) of which commissions and committees;

(3) whether any of the reports of such commissions and committees have been made public; if so, (a) how many and (b) of which commissions and committees;

(4) what is the total estimated cost relat-

3-dairy  
N.M. 10/4/88  
~~2/4/88~~

# Big increase expected in price of milk

## Mercury Correspondent

PRETORIA—The Cabinet is expected to approve big increases in the prices of milk and maize before the end of the month.

And, according to Pretoria sources, it is certain the increases will not be softened by higher subsidies.

The milk price increase — it is expected to be at least 4 c a litre — may be raised further by increases imposed by milk distributors. The retail price of milk was decontrolled last year, and distributors are free to fix their own price levels.

Last month the price of

milk in cartons went up by 2 c a litre because of the increased costs of the cartons.

A producer milk price rise will mean higher butter, cheese and powdered milk prices.

The Maize Board's price recommendation is now being studied by the National Marketing Council, and is expected to be submitted to the Minister of Agriculture, Mr Greyling Wentzel, within the next 10 days.

The National Maize Producers' Organisation recommended a price rise of 27 percent to R277 a ton at a meeting with the board last month.

The board's recommendation was not expected to be materially less.

# Price of milk expected to increase 4 c

Mercury Reporter

MILK is expected to go up in price in June — to cover the producers' price increase — and an increase of at least 4 c/l is predicted.

A carton of milk costs between 71 c and 77 c a litre at the moment, depending on where it is bought, and several supermarket chains have already vowed to try to hold the price for as long as possible if the increase is approved by the Government.

Distributors are also

expected to ask the Cabinet to approve a further 2 c increase.

Major distributors who got an average 5 c increase on the price of milk last year — and, as recently as February this year, increased the price of delivered milk — said they needed another 2 c to cover the rise in the cost of petrol and increased salaries.

Yesterday Mr Louw van der Merwe, chief professional officer of the Consumer Council, warned milk producers that an increase would 'affect their case adversely'.

'Consumers will simply turn to using substitutes in even greater numbers than they have been doing. They simply cannot cope with the spiral of increasing costs on incomes that have remained static,' he said.

He added that the increase would be to the detriment of all consumers.

3. dairy

NM 13/4/85

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# Milk to cost

# more in PE

~~3~~ 3 Dairy

Up by 6c

a litre <sup>£. 10s 1</sup> from <sup>1911/1955</sup> May 1

Post Reporter

THE milk price is to go up by 6c a litre in Port Elizabeth from May 1.

This was announced today by Mr Fred Botha, general manager of United Dairies, who attributed the increase to rising costs.

He said 3c of the increase would be going to the dairy farmer, who had to cope with ever-increasing input costs. The other 3c would go to increase the profit margin of the distributor. The bulk of the distributor's share would be offset by factors such as the increased cost of milk cartons, which had to be imported.

The distributors had been adversely affected by the rand-dollar rate of exchange, the cost of fuel and increased salaries and wages.

The increase of 6c a litre means a rise of about 8.5%.

"Taking the present rate of inflation into consideration, this is by no means excessive," Mr Botha said.

Delivering milk to homes had become a costly undertaking due to the loss and breakage of glass bottles, the maintenance of a delivery fleet, fuel, salaries and wages and packaging.

Cost-saving procedures in this connection were being investigated.

Milk purchased from cafes would cost 85c a litre and milk delivered to homes would cost 75c.

The supermarkets normally sold milk in cartons at cost price.

**INSIDE:**

# Milk increase feared

176x5 25/485 (circled) 3 milk

Argus Correspondent

PRETORIA. — Consumers facing another increase in the price of milk in June are growing weary of the endless cycle of price rises and the routine explanations for them.

The present price of 68c a litre for home-delivered milk is likely to increase by another 6c — the fourth increase since July last year.

The price of milk in cartons will also increase by this amount.

Supermarkets, which sell milk at almost cost price, are now charging between 71c and 74c a litre. Cafes charge considerably more and the present recommended price is 95c a litre.

In spite of the increases since mid-1984, farmers, distributors and small retailers complain of hardship.

Each group in the chain of supply seems to have good arguments

for increases, and the plight of the consumer — battling with an inflation rate running at about 16 percent — is also well known.

Farmers are suffering under the same burden of inflation, and say their problems deserve to be understood by consumers.

Although the retail price of milk is between 68c and 95c a litre, farmers receive only 39c a litre, according to the Chairman of the Dairy Committee for the South African Agricultural Union, Dr Louis Theron.

The last producer price increase of 3c a litre was granted by the Government in July 1984. But farmers had to pay back 2c a litre into the Dairy Board's stabilisation fund to buy up surplus dairy products.

After other levies were paid, dairy producers received only 39c a litre — and at this price it was impossible to make a profit, said Dr Theron.

There is growing dissatisfaction among farmers about their representation on the Dairy Board. They feel distributors dominate decision-making and do not put the interests of farmers first.

For example, in November last year an application for a producer price increase was turned down. Yet distributors have been granted two increases since then — 2c a litre on all deliveries last November and another 2c on milk cartons in February.

"We have asked for the composition of the Dairy Board to be changed. Farmers are reliant on the board for increases, yet the distributor and retail price of milk is not price-controlled," said Dr Theron.

Price control was lifted in July 1983, but distributors bound themselves to a two-year period during which they agreed not to ask for Government approval for further increases.

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# Now it's a 3-Milk milk price shocker

RDM 25/4/83

By GERALD REILLY  
Pretoria Bureau

A MILK price increase of five cents a litre will be announced next week, according to Pretoria sources.

This will bring the price of delivered milk to 73c/l.

And in Pretoria today, the Minister of Agriculture, Mr Greyling Wentzel, will announce an increase in the price of maize.

This is expected to be in the region of 20%, raising the price per ton from R220 to above R270.

Higher milk and maize prices will be a severe blow to lower income groups struggling to survive in a climate of high inflation and growing unemployment.

An angry outcry from consumer bodies is certain.

The 5% milk price increase is expected to include compensation for distributors who faced a 40% fuel price hike earlier this year.

Milk producers were granted a 3c/l price rise in July last year.

Distributors responded with a 1c/l increase, following this with a 2c/l rise in November.

A further 2c/l rise was added in February when the cost of milk cartons was increased.

Since July 1983, the retail price of delivered milk has risen from 56,5c/l to the current price of 68c/l.

A 20% maize increase would necessitate a minimum 14% rise in the price of mealie meal, according to observers in the industry.

It would also raise the costs of egg production by 3,4% and milk production by 2,1%.

Costs in the beef, pork and poultry industries would rise significantly.

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# Milk ~~price~~ price <sup>3-Milk</sup> to go up <sup>NM 25/4/85</sup>

Mercury Reporter

THE price of milk in Natal is expected to increase by about 10 percent, pushing the cost of home deliveries as high as 80 c.

Divisional general manager of Clover Natal, Mr Eric Hornby, said last night the price rise would probably become effective early in June.

The price would rise by 'something like 10 percent or a little more', half of which would go to producers and half to distributors, he said.

The divisional manager (coastal) of Creamline Dairies, Mr Gerald Hunwick, said last night a bottle of home-delivered milk would 'cost 80 c or thereabouts'.

Mr Bernard Hellberg, assistant director of the Consumer Council, said last night the expected increase indicated 'a disgraceful state of affairs' and described it as 'very bad news'.

'It will be a surprising increase, particularly as Natal is the major dairy producing area and supplies milk right up to the Transvaal border,' he said.

Mr Hellberg said consumer resistance was a useful tool and urged people to consider using proper full-cream dairy substitutes.

# Milk price increase of 5c/l expected next month

SOUTH AFRICA's milk producers expect the Minister of Agriculture, Mr Greyling Wentzel, to announce an increase of about 5c a litre early next month.

The Dairy Board is due to meet in Pretoria on June 3, and the announcement is likely to be made after the meeting.

Producers claim that huge cost increases of the past 12 months — including the 40% fuel price rise earlier this year — have eroded their margins to a point where most of the big producers are farming at a loss.

They point out, too, that the increase of 10% in the consumer maize price will raise their production costs by an additional 0.8c/l.

In November last year the Milk Board rejected a demand from the National Dairy Committee of the SA Agricultural Union for a price hike of 4c/l.

It is understood, however, that this time round a recommendation for an increase of 5c/l has gone through to the

Own Correspondent

Marketing Council — and has been supported by the council.

Consumer bodies pointed out yesterday that a higher milk price — together with the expected bread price hike in June — and the consumer maize price would deal a heavy blow to low-income groups and the many thousands of black families with unemployed bread-winners.

The milk price increase is expected to include an agreed increase in the distributors' margins.

The retail price of milk was de-controlled last year.

Milk producers got their last increase in July last year — 3c/l, of which 2c had to be surrendered to meet the costs of disposing of surplus dairy products.

At the same time, distributors upped their price by a cent a litre.

In November, distributors added another 2c/l, and another 2c were added in February to meet the higher costs of cartons.

# Milkpowders a Risk

Consumer

By LEN MASEKO

Corner



**SURROGATE** Milkpowders were a risk to health, a research conducted by the Dairy Board has revealed.

Dairy Board chairman Mr Jan van Vuuren said in an interview that this was because these products contained fatty acids which were detrimental to health, particularly in the case of people suffering from heart

**'Substitute products not that bad'**

problems. Mr van Vuuren said that research findings had also indicated that the same amount of protein cost the consumer nearly four times more if he chose surrogate milkpowder in preference to the real product.

He said in the present economic climate the consumer should ask himself whether he was spending his money in the best possible way if he chose surrogate products in preference to milkpowder.

He added: "The Dairy Board recently bought two of these surrogate products at a Pretoria market and analysed their nutritional value in terms of price. "The analysis indicated that R1 bought 69,9 grams of protein in the case of milkpowder, compared to 42,4 grams and 18,2 grams respectively in the case of the two brands.

"The protein content of milkpowder is 36 per cent, while the two brands tested contained 20 and eight percent respectively. "If the consumer had wished to obtain equal amounts of protein for his family, he would have paid R14,37 per kg in the case of milkpowder, compared to R23,58 and R54,94 in the case of the two surrogate products tested," he added.

Although milkpowder was often more expensive by volume than whiteners, there was no comparison between the products if nutritional value was the criterion. There could be no comparison between milkpowders and whiteners and no benefit to the family if substitute products were used in preference to milkpowder.

According to Mr van Vuuren, very few consumers were aware of the fact that surrogate products "do not have a dairy base". The major ingredients — coconut and palm oil — in these products were of vegetable origin. The Dairy Board chairman said these products were, in addition, usually very rich in fatty acids. These acids were detrimental to health, particularly in the case of people suffering from high blood pressure or having cholesterol or obesity problems. "Medical research has also indicated that the consumers of these products are frequently the very individuals who have been identified as high-risk cases for heart disease. They do not appear to be aware of the fact that the use of these products does not decrease the consumption of saturated fats," Mr Van Vuuren said.

**MANUFACTURERS** of substitute milkpowders — reacting to the attack by the Dairy Board on whiteners — have described as misleading claims that surrogate milk products were a "risk to health".

Food and Nutritional Products, which manufactures Cream Top, said these products would not be on the market if they were detrimental to health.

"However they are definitely not as nutritious as pure milkpowders and are currently being bought by consumers in large quantities mainly for price (they are cheaper) and taste reasons," said Ms Petraëa Heynike, FNP's corporate public relations manager.

It was important for people suffering from heart ailments or wish to restrict their saturated fat intake to use skimmed milkpowder only as this did not contain cream, the manager added.

Blends and coffee creamers should be avoided by these consumers, and should never be given to children as a nutritious drink.

Legislation which would control the protein content and food value of substitute milkpowders, was under way.

Ms Heynike added: "It is vital to stress that none of the general milk powders nor substitutes are recommended for young babies.

"If the label says that the powder is a 'blend' or 'mix' of milkpowder with other ingredients, it is a substitute. The product will be cheaper but, of course, at the same time you get lower nutritional value," she said.

Coffee creamers or whiteners were recommended for use in tea and coffee only to whiten and cream the drink.

Carnation Foods and Borden Products, who manufacture Gold Cross Creamer and Cremora respectively, echoed the same views expressed by Food and Nutritional Products.

# Milk price rises

*3-Dairy*  
THE producer price of fresh milk will rise by an average of 3,4 cents a litre from the first of next month — but consumers face a bigger increase as distributors “will also be adjusting their prices.”

The wholesale price of cheese will rise by 10 percent and that of butter by 14 percent at the same time.

This was announced by the chairman of the Dairy Board, Mr Jan van Vuuren, in Pretoria yesterday.

The board will also be

~~2-11-85~~  
lifting control of the retail price of cheese and butter from next month.

Mr van Vuuren said milk distributors would also be adjusting their prices and he advised consumers to check milk prices carefully and to buy their milk where they could get it at the cheapest price. The Dairy Board had no control over the retail price of milk, he added.

The Dairy Board would keep the price market “related” and ease the over-production at this stage, the

*Sowetan 24/5/85*  
production of milk was dropping “at an unusual rate” the drop at the moment was greater than the normal winter season fall-off in production.

Mrs Maggie Nkwe, matron of the Orlando Children Home, said: “It is sad for the Government to allow this to happen. Many children are going to die because of this. What the Government should instead be doing is to subsidise milk as it is a basic necessity to life particularly to the children”.

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*Cape Times 24/5/83*

# Milk price to go up by 7c a litre

Staff Reporter *3 DAIRY* percent at the same time.

THE price of fresh milk in the Western Cape is to go up by seven cents a litre from the beginning of next month — an increase of 10,3 percent.

The Cape Dairy Products Association said in a statement yesterday that they had increased the average price of home-delivered milk by 3½ cents a litre.

This follows the increase of 3½ cents a litre awarded the farmer/producers by the Dairy Board.

The board also announced that the wholesale price of cheese would rise by 10 percent and that of butter by 14

The chairman of the Dairy Board, Mr Jan van Vuuren, said in Pretoria yesterday that the board would also be lifting control of the retail price of cheese and butter from next month.

He said the low profit margins of processor/distributors had forced them to make this adjustment. In the face of devastating inflation in almost every area of processing and distribution — particularly fuel, energy and labour costs as well as the costs of imported items — they had had no alternative, he said.

Mr Van Vuuren added there was no control over the retail price of milk, and advised consumers to check milk prices carefully and to buy their milk where they could get it at the cheapest price.

He pointed out that while there was still over-production, the production of milk was dropping "at an unusual rate."

In Cape Town a spokesman for a large dairy said the price of milk to the consumer could increase by between six and seven cents a litre in the Western Cape.

The managing director of Dairybelle, Mr M Henning, said he regarded the price increase as "reasonable".

## 'Abduction': Man held

Staff Reporter

POLICE yesterday arrested a 34-year-old British-born man in connection with the alleged abduction of a 13-month-old baby to England last month.

The man, who had flown to Johannesburg from Heathrow was arrested minutes after landing at D F Malan Airport at 1.45pm yesterday.

A police liaison officer for the Western Cape said the man is expected to appear today in the Wynberg Magistrate's Court.

E G R F J D

Milk is latest ~~story~~  
basic food hit <sup>(3) Dairy</sup>  
by price rise <sup>B. Dairy</sup>  
24/5/85

By GERALD REILLY

THE prices of basic foods such as maize, sugar and milk have all been raised substantially in the past two months.

The producer milk price increase of 3,4c/l to 45,13c/l in the Transvaal was announced yesterday by the Dairy Board.

The consumer price increase is likely to be at least 5c/l bringing the delivered price to about 73c.

And an announcement is expected soon on a bread price.

The Minister of Finance has stated there are no funds available to add to the R200m set aside in the budget for cheapening bread.

If the bread subsidy is not raised the price of brown bread — now subsidised by 17c a loaf — could rise as much as 50%.

May 19 85  
**Milk price to go up 7 c a litre**

**Mercury Reporter**

BUTTER, cheese and milk prices will rise by between 10 percent and 14 percent from the end of the month, the Dairy Board announced yesterday.

The price of a litre of milk in Natal is expected to be pushed up by 7 c

with producers getting 3,4 c more and distributors, the main dairy organisations, getting 3,6 c more to cover increased fuel costs, salary bills, administrative and transport costs.

A litre of delivered milk will cost 80 c and anything between 71 c

and 75 c off the supermarket shelf.

The wholesale price of cheese will rise by 10 percent and butter by 14 percent, according to the chairman of the Dairy Board, Mr Jan van Vuuren.

The board will also

scrap retail price control on cheese and butter from next month.

A spokesman for the Consumer Council, Mr Louw van der Merwe, said consumers could not afford further increases at a time of rising unemployment and diminishing wages and salaries.



Sowetan

29/5/85

3-Dairy



# Milk price rise hailed

THE increase in the producers' price of fresh milk will alleviate the financial pressure on milk producers, though it will not compensate for the overall lag on cost increases, Dr J H Grey, chairman of the National Dairy Committee of the S A Agricultural Union, said in a statement yesterday.

He said milk producers — who had not been granted a rise in producers' price since June 1984 — had indicated in November last year that the production costs of milk justified an adjustment in producers' price.

"Since then, further cost increases, such as the consumer price of maize, fuel, transport, tyres, fertilisers and other inputs have occurred," Dr Grey said.

He regretted that no adjustments had been announced in the producers' price of industrial milk. He said this was because there were still surplus stocks of certain processed products of industrial milk.

The price adjustment for fresh milk includes a standardised coupling point for butter fat (3,5 percent). This coupling point now held long-term financial advantages for the milk producer, which should motivate farmers to produce a more nutritive milk composition, Dr Grey added.

Producers welcomed the planned price system for all types of industrial milk, as it tallied with the milk producers' approach that their price should be based on the general quality of the milk, Dr Grey said. — Sapa.

# Call for free milk at school

Post Correspondent

An appeal for the introduction of a school feeding scheme in the Eastern Cape using the areas' surplus milk supply which could be bought at reduced prices was made in the Provincial Council yesterday.

Speaking during the debate on the hospital budget vote Mr J H van de Vyver (NP, Albany) appealed for the introduction of the scheme.

He said in Port Elizabeth 80% of black school-children went to school without food. In Grahamstown, with a black population of about 55 000, only 12% were employed.

"If this unemployment continues, the Eastern Cape will have a disaster in store," he said.

The milk industry in the Eastern Cape had a huge surplus. Consumers in Port Elizabeth could absorb only 20% of the production. Milk was being distributed to as far as Durban and Lesotho.

United Dairies, the largest distributors of fresh milk, were prepared to supply a large quantity of milk to schools at a reduced price.

The time had arrived to

shift the emphasis in health services to preventive medicine, Mr Van de Vyver said.

Mrs Molly Blackburn (PFP, Walmer) criticised the provincial Health Department for allowing the security police in the Eastern Cape to interfere in the treatment of patients at hospitals.

She said she had been prevented by two "heavily armed policemen" from entering a ward of unrest victims.

Patients of all ages and both sexes had been "crammed" into the ward "in a most unhygienic way".

The "barbaric" treatment meted out in chaining a patient at Conradie Hospital to his bed was "clearly in conflict with medical and nursing ethics", the council was told.

During the debate on the hospital budget vote yesterday, Mrs Di Bishop (PFP, Gardens) said the patient, a convicted criminal, had been admitted to Conradie Hospital where after-care was provided to neurosurgery patients treated at Groote Schuur Hospital.

For about 19 days he had been guarded 24 hours a day, a normal

practice.

"But in addition, for the duration of his hospitalisation, he was chained to the bed by the left leg ...

"I asked a highly respected GP what he would have done if it had been his patient. He responded without hesitation that he would have ordered the shackle to be removed," she said.

● Social pensioners, child cancer patients and others who pay no hospital fees could be asked to pay nominal fees of R1 to R2 on admission for treatment as in-patients in Cape Provincial hospitals.

During the hospitals vote debate yesterday, Mr Koos Theron (MEC for Hospital Services) said a mere 6% of expenditure — about R1 million — more than the sum budgeted for in the 1985 financial year had been received from hospital fees.

Many patients were given free treatment if they said they did not have money to pay and this was being abused.

After discussions, it has been decided that if the income of the average family was linked to income tax payable this would result in a just classification.

~~2~~ 3) Danny E. Post  
29/5/85

## R22m loss

### on dairy

### export

CAPL TIMES 30/5/85

3 DAIRY

Political Staff

THE Dairy Board sustained a loss of nearly R22 million on the export of skim milk powder in the 1983/84 financial year.

This is expected to rise to more than R31 million.

The report of the Auditor-General of the accounts of the Dairy Board tabled in Parliament showed that during the same financial year the board donated R9 000 for drought assistance in Ciskei.

The MP for Port Elizabeth Central, Mr John Malcomess, who disclosed in Parliament recently that South Africa was exporting powdered milk to Japan as food for pigs, described the loss as "disgusting".

Mr Malcomess, who had suggested that the milk could be used to combat widespread disease resulting from malnutrition, said the fact that a huge loss had been sustained to feed pigs in Japan while only R9 000 had been given to Ciskei for drought relief "said it all".

③ *Howard Q. 6.1. 1671 4/6/85*  
 \*23. Mr D J N MALCOMESS asked the Minister of Agricultural Economics:

- (1) Whether any maize was imported into South Africa in 1984; if so, who initiated these imports;
- (2) Whether any South African shipping lines were asked to transport any of this maize; if not, why not; if so, which shipping lines;
- (3) whether any South African insurance companies were asked to submit quotations for the insurance of these shipments; if not, why not; if so, which insurance companies;
- (4) whether the charters were arranged from South Africa; if so,
- (5) whether this was done in order to keep the brokerage fee in South Africa; if not, why not;
- (6) (a) what was the landed cost of the maize in South Africa, including insurance costs but excluding dock charges or wharfage, and (b) what percentage of this amount was paid to South African organizations?

†The MINISTER OF AGRICULTURAL ECONOMICS:

- (1) Yes; the Maize Board.
- (2) and (3) No; the maize was imported on a c.i.f. basis.
- (4) No, the charters were arranged by the sellers.
- (5) The maize was imported on a c.i.f. basis.
- (6) (a) The average c.i.f. price was R235,84 per ton for the 1984/85 season.
- (b) Payment of the c.i.f. price was made to local registered companies in all cases.

④ *Howard 1672*  
 \*24. Mr K M ANDREW asked the Minister of Law and Order:

- (1) Whether certain persons, whose names have been furnished to the South African Police for the purpose of the Minister's reply, were killed during the unrest in and around Old Crossroads during the period 18 to 20 February 1985; if not, which of these persons were not killed;
- (2) whether inquests were or are to be held in respect of all persons killed in this unrest; if not, (a) why not and (b) in respect of which cases will inquests not be held;
- (3) whether any inquests had been held as at the latest specified date for which figures are available; if so, (a) what were the names of each of the persons concerned, (b) when was each inquest held and (c) what were the findings in each case;
- (4) whether the family of the person concerned was represented at the inquest in each case; if not, why not;
- (5) whether any action has been taken as a result of the inquest findings; if so, what action;
- (6) whether any inquests have yet to take place; if so, (a) why, (b) what are the names of the persons concerned and (c) when is the inquest due to take place in each case?

The MINISTER OF LAW AND ORDER:

- (1) Yes, except B Yengwa and A Arosi of whom the police have no knowledge and M Kelly and N Pini who died on 26 March 1985 and 22 February 1985, respectively, but who could not be connected with the riot situation.
- (2) Yes, inquests will be held in all the cases.

③ No, the cases are still being investigated.  
 (4), (5) and (6) Fall away.

Mr K M ANDREW: Mr Speaker, arising out of the hon the Minister's reply, can he tell me by when it is anticipated that these inquests will have been held?

The MINISTER: Mr Speaker, these matters are being expedited as far as possible but unfortunately I, cannot give the hon member any date at this stage.

Wine: cartels/other restrictive trade practices

\*25. Mr K M ANDREW asked the Minister of Trade and Industry:

- (1) Whether his Department and/or the Competition Board has received any representations concerning the alleged existence of (a) cartels and (b) other restrictive trade practices in respect of the (i) retail and (ii) wholesale distribution or sale of wine in the Western Cape; if so, (aa) when, (bb) what was the nature of the representations, (cc) what action was taken as a result and (dd) to what effect was such action taken; if not,
- (2) whether any investigations have been undertaken in this regard; if so,
- (3) whether these investigations have been completed; if not, when is it anticipated that they will be completed; if so, (a) when and (b) what were the findings;
- (4) whether he will make a statement on the matter?

†The DEPUTY MINISTER OF AGRICULTURAL ECONOMICS (for the Minister of Trade and Industry):

- (1) (a) and (b) No.
- (1) (aa) to (dd) Fall away.
- (2), (3) and (4) Fall away.

④ *Howard*  
 \*26. Mr K M ANDREW asked the Minister of Co-operation, Development and Education:

- (1) Whether, with reference to his replies to Question No 108 on 14 March 1985 and Question No 26 on 19 March 1985, the (a) Portland Cement site (bordering on Nyanga) and (b) 26 hectares of privately owned land adjacent to Old Crossroads were offered to his Department or the Western Cape Development Board during the past five years; if so, (i) (aa) for what purposes, (bb) on what terms and conditions and (cc) on what dates were these offers made and (ii) what was the response to these offers;
- (2) whether his Department or the Western Cape Development Board is the owner of the above-mentioned pieces of land; if not,
- (3) whether he will furnish the House with the names of the owners concerned; if so, who are the owners;
- (4) what is the size of the Portland Cement site referred to above;
- (5) whether his Department or the Western Cape Development Board has made any approaches to (a) purchase and/or (b) lease these sites; if so, (i) on what dates, (ii) what was the nature of the approaches made and (iii) what was the outcome; if not, why not?

The MINISTER OF CO-OPERATION, DEVELOPMENT AND EDUCATION:

- (1) (a) and (b) Yes, but it must be pointed out that the Portland Cement site bordering on Nyanga and the 26 hectares of privately owned land adjacent to Old Crossroads, referred to in the question, are in fact one and the same piece of land.
- (i) (aa) For lease.

# Dairy firm in court bid to save jobs of 1 300

Finance Reporter

CREAMLINE Dairies are to embark on a major restructuring this week in an attempt to avoid insolvency and save the jobs of more than 1 300 employees.

The move is to be made in the Durban Supreme Court today in the form of an application for provisional liquidation of two of the companies in the Creamline Dairy Group.

The two companies are Creamline Dairies and Creamline Natal Melkery.

There is also a probability that through the restructuring, other Creamline companies could also go into liquidation.

Mr T L. Reynecke, chairman and managing director of the company, said yesterday that the main reasons for the company's unsatisfactory financial position were the high levels of borrowing coupled with crippling interest rates.

The group is faced with liabilities of about R20 million, excluding contingent liabilities, and the book value of its assets is about R11 million.

However, the company has stated that it will continue to deliver milk to clients' homes, to cafes and retail outlets, as well as honouring coupons while in liquidation.

This we believe is imperative, because the supply of milk to the consumer must not be interrupted, and our creditors are being asked to support this move, he said.

The major creditors are the Milk Board, Volkakas Bank, various packaging companies and the shareholders.

The restructuring, if successful, would avoid any staff retrenchments in the foreseeable future, Mr Reynecke said yesterday.

A consortium of Natal businessmen and farmers with considerable experience in the dairy industry has for the past four weeks been investigating the affairs of the company.

One of its members, Mr Russell Stevens, said yesterday that he was confident they had the expertise and financial support to assist in solving the company's problems subject to the finalisation of the investigation.

## 'Support of creditors'

Creditors are to be asked to consider an offer of compromise, the details of which will be determined within the next six to eight weeks. During this time the company will trade on a cash basis.

Mr Stevens said the reconstruction move had the support of the major creditors, including bankers, and I believe that under a revised directorate and financial structure, Creamline Dairies could become viable and have a long-term future.

Company spokesmen made it clear that no milk producer would be affected by the liquidation of the firm, as they were paid by the Milk Board and not Creamline.

Part of a national group, Creamline has dairies in Natal at Pinetown and near Pietermaritzburg, and at Vereeniging, Nelspruit, Pieterburg and Sasolburg in the Transvaal. It also has distribution depots at Newcastle, Tzaneen and Louis Trichardt.

In the Durban and Pietermaritzburg areas, the company is responsible for about 43 percent of all milk and

a significant percentage of milk by-products sales and should it cease trading there would be considerable disruption to both consumers and farmers.

Yesterday Mr Eric Hornby manager of Clover Dairies in Natal — Creamline's closest competitors in the area — said he was always concerned to hear of anyone going under' and more so with Creamline.

We are most concerned to hear that that this has happened, and sincerely hope it can be sorted out.

Reacting to a question on how consumers would be affected in terms of the zoning agreement — which delineates milk distribution into two distinctive areas divided between the two companies — if Creamline folded, Mr Hornby said Clover would be able to handle the situation 'under pressure' if need be.

The time has come for zoning to be re-examined. We believe it is not needed anymore and should be done away with, and have been working towards that.

According to Mr Hornby, if the worst came to the worst, the consumer would be looked after, even if we have to break a gut in the short term.

Mr Stevens said that if Creamline did become insolvent, it would have a major effect on consumers by disrupting their distribution patterns, and also have social implications on the black population, which used milk as their main source of protein.

Mr Stevens said the misfortunes of the company had really begun four years ago — shortly after Creamline had acquired a number of companies — when the chairman and four other top management personnel were killed in an air crash near Parys.

New leadership had to be found and in hindsight appears mistakes were made.

He said that since then some of their transactions had recorded losses and although they had been absorbed, the losses had eroded the equity base of the company.

Sc NM

12/6/85

S-Dairy

# Judges acts to keep milk companies

2-Dairy 18/6/85 NM

A DURBAN judge yesterday approved a R500 000 rescue operation that enabled Creamline Dairies (Pty) Ltd, the Pinetown-based company placed under provisional liquidation last week, to make this morning's deliveries.

Mr Justice Shearer hearing an urgent application in chambers late yesterday, had been told the company needed to borrow an initial R500 000 immediately or it would be unable to buy milk supplies today or tomorrow and would have to cease trading.

The company, which supplies about 43 percent of the daily milk requirements of Durban and Pietermaritzburg areas, needed R61 000 a day to pay the Dairy Board for fresh milk, according to the provisional liquidator, Mr Gert Graham.

Mr Graham, a chartered accountant, brought the application before Mr Justice Shearer for permission to raise the necessary finances to keep the company's bankers. Volk-

**Germaine Ogilvie  
Court Reporter**

company did not have enough to pay for fresh milk today or tomorrow.

If these payments are not made I would have no alternative other than to suspend the conduct of the company's business, he said.

The situation would be disastrous not only for the company and its creditors but it would cause a substantial disruption in the supply of milk to the public in Durban and Pietermaritzburg.

### Estimated

Mr Graham said the company's bankers. Volk-

Craig safe in Lloyd's arms . . . once again



## Boy (3) snatched from traffic by hero pupil

Mercury Reporter

THREE-YEAR-OLD Craig Jacobson was fit and chirpy last night thanks to the quick thinking of matic pupil Lloyd, 17, who had dashed across six lanes of traffic in Durban to scoop up the toddler and carry him to safety.

Craig, a back-seat passenger with his six-year-old brother, Clinton, had fallen out of his mother's car. But he had no more than a few grazes on his cheerful face to remind him of his close call.

Mrs Margaret Jacobson of Malvern said Craig had been an adventurous child from birth.

pulled to the side of the road.

A terrified Craig had started to scream and run towards his mother on the other side of the road, where she frantically shouted at him to stop.

Lloyd, a George Campbell Technical High School pupil, on his way home from a rugby match, was travelling in the opposite direction sitting with three other boys on the back seat of a car.

'We stopped the car and when I realised there was a little boy stuck in the middle of the road I just

### Hurry and save

slid over me and dived through window.

'Running all I could do was to take the oncoming scooped him towards his

Just as I reached the school I stopped to take the message to myself for

I couldn't and watched had happened boy I would have forgiven me

# Judge acts keep milk

3-Dairy  
18/6/85  
NM

Craig safe in Lloyd's arms ... of



Craig Jacobson safe in the arms of Lloyd E. the Durham schoolboy hero who saved his life. Picture by ANTHC. McMILL

A DURBAN judge yesterday approved a R500 000 rescue operation that enabled Creamline Dairies (Pty) Ltd, the Pinetown-based company placed under provisional liquidation last week, to make this morning's deliveries.

## Germaine Ogilvie Court Reporter

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## Estimated

Mr Graham said the company's bankers, Volkskas Ltd, had indicated their willingness to lend the company enough to leave to borrow from Volkskas Bank what he considered necessary for the company to continue to conduct a business to the bank of company claims against debtors after the provisional liquidation order came into existence on June 12.

## Permission

In his affidavit Mr Graham said it was in the interests of the company and its creditors that he be granted permission to borrow the money and estimated that an initial loan of R500 000 would enable the company to meet its daily commitments and continue operating.

Mr Graham told the judge that at present the company's anticipated monthly revenue was R4 000 000 and its anticipated monthly expenditure was R3 950 000.



# Margarine oil prices may rise by 12 pc

Consumers would pay 12 percent more for margarine and vegetable oil if manufacturers fail to absorb the latest increases in their production costs, the SA Oil Ex-pressers' Association chairman said yesterday.

Mr Lance Japhet, who is also the chairman of the SA Margarine Manu-facturers' Association, said price rises on im-ported oil and local oil-seeds had resulted in in-creased production costs.

Producers were paying between 13 and 14 per-cent more for the bottling of oil and the production of margarine.

He said a large quan-tity of oil would have to be imported because this year's harvest had yield-ed only 270 000 of the ex-pected 400 000 tons.

He said the association appealed to manufac-tures not to pass the full increase on to the con-sumer.

Checkers and Pick 'n Pay spokesmen said they were not satisfied with the reasons given for the price increases.

"We will do our own in-vestigation into the situa-tion," the Checkers spokesman said.



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# Dairy farmers step in to rescue ailing Creamline

3-Dairy  
NM 9/7/88

## Finance Reporter

UP TO 1300 jobs may be saved following yesterday's announcement by 73 Natal dairy farmers that they are prepared to invest in the newly restructured Creamline Dairies to save the ailing dairy company from collapse.

Four weeks ago the firm crashed after admitting debts of R20 million and assets of only R11 million and was subsequently placed under

provisional liquidation in the Durban Supreme Court.

Howick dairy farmer Brian McKenzie said yesterday the group of farmers, known as DCD, who produced approximately one-third of the province's fresh milk supply, would be taking up a 30 percent share in the company.

The move would have to be approved by the provisional liquidator.

Mr McKenzie said DCD's financial invest-

ment in Creamline had not been determined.

A majority of the members of DCD were the previous owners of Creamline before it was sold to Transvaal interests in July 1975 and DCD Trust still owned the Pinetown factory from which it operated.

Mr McKenzie said yesterday's move had been prompted by farmers who believed it was not in the public's interest to have only one distributor serving the province and be-

cause they also believed in the importance of a tie-up with the distribution of their products.

Mr McKenzie thought it unlikely that closer involvement by the farmers would ultimately mean a reduction in the consumer price of milk as that could only be decided by the Dairy Board.

~~3- Dairy~~ ~~10/7/75~~

# Dairy move may rescue

1 300 jobs <sup>3 Dairy</sup>

10/7/75  
Business Day Reporter

THIRTEEN hundred jobs may be rescued after yesterday's announcement by 73 Natal dairy farmers that they were prepared to invest in the newly-restructured Creamline Dairies to save the ailing company from collapse.

Four weeks ago the firm crashed after admitting debts of R20m and assets of only R11m. It was placed under provisional liquidation in the Durban Supreme Court.

Howick dairy farmer Brian McKenzie said yesterday the group of farmers, known as DCD, who produce approximately one third of the province's fresh milk supply, would be taking up a 30% share in the company. The move will have to be approved by the provisional liquidator.

A majority of the members of DCD were the previous owners of Creamline before it was sold to Transvaal interests in July 1975 and DCD Trust still owns the Pinetown factory from which Creamline operates.

McKenzie said the farmers took the move because they believed it was not in the public's interest to have only one distributor serving the province and they believed in the importance of a tie-up with the distribution of their products.

McKenzie said the question of reduction in the price of milk, if any, could be decided only by the Milk Board.

CAF Links  
75/12/85  
3DARK 9

# Milk petition: 'Unfair price'

Staff Reporter

A GROUP of shopowners is to present a petition to the Dairy Board today calling for controls on the milk price, following what they believe are unfair differences in the price of milk sold in different areas.

Mr M Graca, Sea Point supermarket owner and spokesman for a group of about 50 shopowners from the Sea Point, Bakoven, Milnerton and Goodwood areas, said on Friday that milk was being sold to them for 78c a litre whereas it was being supplied in areas such as Athlone and Mitchells Plain for 68,5c a litre.

"We would like to have a controlled price. Then we could buy from whoever we pleased at the controlled price. Milk is the same as bread, it is a general commodity and

the price of bread is controlled. The price war among the dairies is killing us. We feel oppressed," he said.

He said the petition would be circulated amongst shopowners and presented to the Dairy Board today.

Mr Martin Henning, regional general manager of Dairybelle, said his dairy offered milk at 68,5c a litre in Athlone, Mitchells Plain and Bontheuwei as part of a specific promotion to increase milk sales in those areas.

"In these areas we do not have the facilities for promotion that we do at the big supermarkets and the only way to promote milk is to keep the prices low," he said.

He expected that the price would increase in these areas once the annual winter slump in milk sales was over.

## Rescue bid

A consortium of 73 of Natal's dairy farmers, seeking an interest in a restructured Creamline Dairies after two group companies were placed under provisional liquidation last month, is about to make its offer to creditors.

The group is part of a partnership of trusts, comprising mainly business and farming interests, which is seeking to gain control of the company. Spokesman for the trust is Natal businessman and former Midlands dairy farmer Russell Stevens. He says the proposals should be ready any day now.

At this stage, the extent of the liabilities of Creamline's Natal operations is unclear, but the national company is said to have debt of around R20m.

If creditors find the consortium's offer acceptable, it will be the first time a group of private dairy farmers, outside the co-ops, has had a stake in a major milk distributing company.

A long-standing gripe among farmers, particularly dairy farmers, is that they are too far down the supply pipeline. Now this group, at any rate, stands to get its wish by moving closer to the customer.

However, this is unlikely to lead to lower milk prices. Though the zoning agreements between Creamline and Clover in Natal have largely fallen away, margins are said to be "too thin for any serious price cutting."

Creamline has about 43% of the major milk markets in Natal, and, according to Stevens, the farmers' consortium is responsible for some 35% of Natal's milk supply. The farmers would be offered seats on the board of the reconstituted company. ■

# White boys asked to help in stayaway

Pietermaritzburg  
Bureau

CONTINGENCY plans which in at least one case involve using white schoolboys for the day, have been prepared in the capital in anticipation of a mass stayaway of black workers today.

The regional manager of Clover Dairies in Pietermaritzburg, Mr Arthur Shuttleworth, said the Sweet and Allied Workers' Union had informed him yesterday that none of their members would arrive for work this morning.

'Indian staff have also said they will not be coming in to work for fear of intimidation,' he said.

**Normal** *USA*

He appealed to white schoolboys over the age of 16 who wanted to work today to apply at 397 Victoria Road in the capital.

Mr Daniel Anastasis, managing director of Albany Bakery, said as far as he was concerned today would be a normal production day and that bread would be delivered as usual. *3-Dave*

A spokesman for the Pietermaritzburg City Engineer's Department said the refuse collection might be affected if insufficient numbers of workers reported for duty.

In the event of refuse not being collected, people should put out their rubbish for collection tomorrow. *MM*

Mr Ron Robbins, Town Clerk of Howick, said the 100 black municipal employees would 'probably stay away for fear of intimidation', in which case white employees would perform essential services. *17/7/85*

The S A Police will be on standby in all black township areas to 'render protection and keep the peace', according to a statement by Brig Mulder

van Eyk, Divisional Commissioner for Natal.

Brig van Eyk said police patrol units would patrol all bus routes in the Edendale, Imbali and Mpophomeni districts as well as all black townships in and around Howick and Pietermaritzburg.

He said all public services including bus services would continue as normal and 'the public using these services can be assured of police protection'.

**Thatcher** *USA*

Arrangements have also been made for mobile police units near the entrance to Imbali township and at the Mpophomeni community hall.

It is reported from Geneva that the head of the International Metalworkers' Federation has urged the British Prime Minister, Mrs Margaret Thatcher, to intervene in the dismissal of 950 black South Africans by a British-owned company.

'She should show the people of South Africa that Britain does not endorse the activities of British firms in their support for the most odious aspects of the apartheid system,' the IMF General Secretary, Mr Kurt Rehn, said.

● See also Page 2

# Natal dairies quash rumours

Labour Reporter

HOUSEWIVES in Durban rushed to supermarkets yesterday to stock up on fresh milk and other dairy products after widespread rumours that dairy workers had gone on strike.

But, the management of the two major dairies in Natal, Clover and National Co-op (NCD), and Miss Renee Roux, spokesman for the Sweet, Food and Allied Workers' Union, quashed the strike rumours.

Mr Raymond Floweday, coastal area divisional

manager of Clover Dairies, told the Mercury all Clover staff were at work and there were no problems.

'A number of our customers telephoned us to inquire whether our workers had gone on strike following the rumours. But, I assured them that all our staff are at work and we are talking to our shop stewards,' he added.

A spokesman for NCD at Prospecton said all his staff were 'definitely at work' and he did not anticipate any problems.

Stores and supermar-

kets in and around the City yesterday reported receiving 'unusual demand for milk, eggs, butter and cheese'.

Mr Martin Rosen, general manager of the Durban North Hypermarket, could not be reached for comment, but a spokesman for the hypermarket said they were selling milk yesterday 'well above their normal sales for the day'.

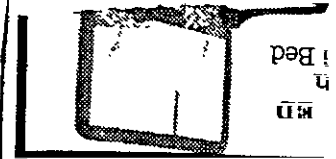
He said they were getting in extra deliveries of milk late yesterday, although they still had enough supplies.

Phänomena snow — which will be from Switzerland this Jasper Schwabe is pic a cube which forms Picture by PHILIP LI

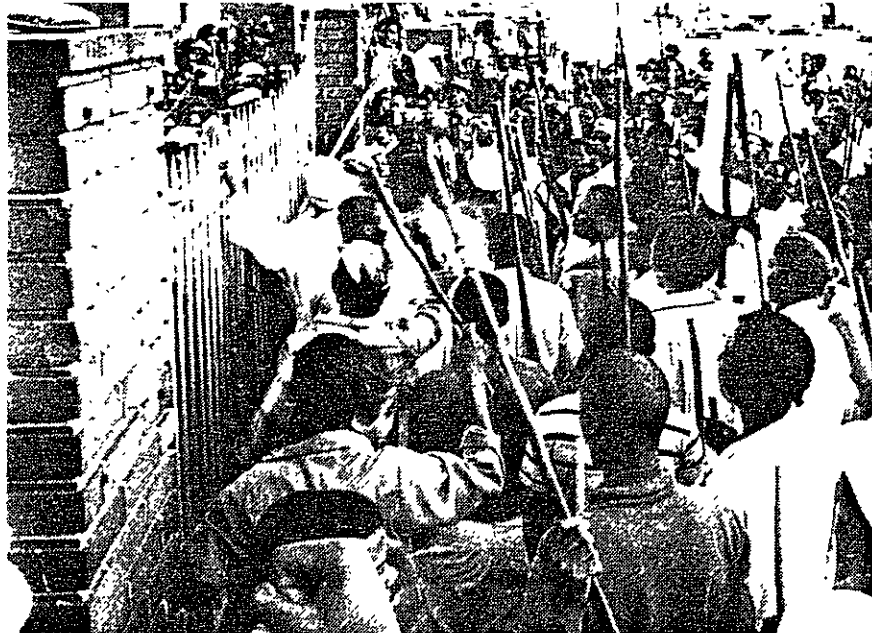
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RTY R



A crowd of sympathetic factory workers, carrying sticks and banners, marched to the nearby Durban's BB Bread bakery yesterday to express their solidarity with striking workers.

## Crowd gathers at bakery to support strikers

*3-11-89*  
*3-Normy*  
MORE than 100 people from Clover Dairies and neighbouring factories marched down Sydney Road to Durban's BB Bread bakery yesterday to express their solidarity with the striking workers.

The chanting demonstrators, including workers from Clover Dairies, carried banners and waved sticks and knobkerries as they marched and assembled in front of the main gates to the bakery.

They were joined in singing and dancing by the hundreds of strikers in the bakery premises before marching back along Sydney Road to Clover Dairies.

When riot police arrived in a convoy of vans, the demonstrators were in Commodore Road, almost nearing the back entrance to Clover Dairies. The police did not intervene.

A trade unionist at the scene praised the police for the 'commendable manner' in which they handled the situation.

'The demonstration was purely a peaceful gesture on the part of workers expressing solidarity with the bakery workers. Police intervention would have only aggravated an already explosive situation,' he added.

Meanwhile more than 2 000 striking bakery workers were yesterday

given an ultimatum by the managements of the affected bakeries that if they did not return to work by Sunday they might be dismissed.

The warning was given in English and Zulu in notices included in their pay packets as the strike over a pay dispute dragged into its fourth day.

Workers from seven bakeries — BB Bread Ltd, Albany. Blue Ribbon, Betta Bread in Stanger, Premier Pies, Tongaat Bakery and Wareings in Pinetown — rejected employers' offers of an R11,40 a week pay rise and are demanding a R23 a week increase.

They were later joined by workers from Kwa Mashu and Umlazi bakeries.

In another development yesterday, strikers on the BB Bread premises — some of whom had been at the site since Sunday — were told to vacate the premises by 4 p m yesterday, but after talks with the management they were allowed

to remain on the premises last night.

A spokesman for the four trade unions involved in the pay dispute said the management had agreed to extend their 4 p m ultimatum until after today's meeting of the Industrial Council for the Baking Industry

The council is to make another attempt today to resolve the pay dispute which has paralysed bread deliveries since Monday.

Mr Maurice Grant, vice-chairman of the Durban Master Bakers' Association, said no ultimatum was given to workers, but workers were informed while collecting their outstanding wages that they could not indefinitely continue to occupy the baking premises.

In the notices, the strikers at all the bakeries affected were warned that they might be dismissed if they did not return to work by Sunday.

A BBC television crew filmed the strikers at the bakery and the demonstration in Sydney Road.

*NM 26/7/89*  
Labour Reporter

# sunrise consumer

## Cheese price hike in pipeline

Cheese is the only item which has not changed in price in *The Star* basic foodstuffs survey during the past five months. But the bad news is that it is due to go up shortly.

Elite mature cheddar will go up from R6,99 a kg to R7,73 and Elite Gouda from R6,37 to R6,92.

Mr Bevin Mervis, Transvaal foods buyer for Grand Bazaars Ultra-market suggested consumers compare the prices of cheese at the delicatessen sections of supermarkets.

"The consumer pays extra for the vacuum packing," he said. "First grade cheddar cheese bought from the delicatessen can be about R1 a kg cheaper."

### OTHER RISES

Other price rises in the pipeline include about a 12 percent hike in the price of oil and margarine, which should hit the consumer soon.


"We have laid in stocks and the new price will not be passed on to the consumer until these run out," said Mr Mervis.

One slight consolation is the dropping of GST on rice as from August 1.

Pick 'n Pay dropped its rice price by 12 percent this week. It will revert to the old price at the beginning of August, but the consumer will not notice the difference as this will be made up by the 12 percent saving on GST.

The bread prices are being contained by the major supermarkets, which are selling this item at or below cost.

## BASIC FOODSTUFFS

	PICK 'N PAY BLACKHEATH	CHECKERS CRESTA	OK BAZAARS CRESTA	SPAR BLACKHEATH	GRAND ULTRAMARKET ROSETTENVILLE	AVERAGE PRICE	AVERAGE PRICE FIVE MONTHS AGO	AVERAGE CHANGE IN FIVE MONTHS	AVERAGE PERCENTAGE CHANGE IN FIVE MONTHS
 BREAD: White	58c	63c	63c	63c	65c	62c	59c	+3c	+5,08
Brown	38c	38c	38c	43c	44c	40c	38c	+2c	+5,26
MAIZE MEAL: Iwisa 5 kg	R2,99	R3,19	R3,19	R3,34	R3,09	R3,16	R2,91	+25c	+8,59
CAKE FLOUR: Snowflake 2,5 kg	R1,95	R2,07	R1,99	R2,15	R2,15	R2,06	R1,90	+16c	+8,42
EGGS: ½ dozen large	66c	67c	68c	68c	66c	67c	65c	+2c	+3,08
BUTTER: Elite 500 g	R2,32	—	R2,69	—	—	R2,51	R2,34	+17c	+7,6
MARGARINE: Rama 500 g	R1,41	R1,42	R1,42	R1,44	R1,49	R1,44	R1,40	+4c	+2,86
MILK: 1 litre	79c	72c	79c	77c	79c	77c	70c	+7c	+10,00
CHEESE: Elite Mature Cheddar 1 kg	R6,99	R6,99	R6,99	R6,99	R6,99	R6,99	R6,99	—	—
Elite Gouda 1 kg	R6,37	R6,37	R6,37	R6,37	R6,37	R6,37	R6,37	—	—
COOKING OIL: Nola 750 g	—	R2,09	R1,99	R2,25	—	R2,11	R2,12	-1c	-0,47
SUGAR: Hulets White 2,5 kg	R2,04	—	R2,09	—	R2,05	R2,06	R1,85	+21c	+11,35
SALT: Buffalo 1 kg box	55c	52c	53c	51c	—	53c	51c	+2c	+3,92
RICE: Tastic 2 kg	R2,62	R3,29	R2,99	R3,55	R3,59	R3,21	R2,75	+46c	+16,73
CEREAL: Kellogg's Cornflakes 500 g	R1,35	R1,39	R1,45	R1,35	—	R1,39	R1,15	+24c	+20,87
JAM: Koo Smooth Apricot 900 g	R1,68	R1,65	R1,59	R1,65	R1,79	R1,67	R1,83	-16c	-8,74
PEANUT BUTTER: Black Cat 810 g	R2,49	R2,89	R2,99	—	R2,89	R2,82	R2,94	-12c	-4,08
HONEY: Safari 1 kg	—	R5,42	R4,99	—	R4,59	R5,00	R4,21	+79c	+18,76
MARMALADE: All Gold Orange 900 g	R1,44	R1,45	R1,49	R1,49	R1,45	R1,46	R1,41	+5c	+3,55
CONDENSED MILK: Nestle 397 g	95c	89c	95c	97c	92c	94c	85c	+9c	+10,59
JELLY: Royal 80 g	29c	29c	31c	35c	28c	30c	31c	-1c	-3,23
CUSTARD POWDER Crosse and Blackwell 500 g	R1,52	R1,57	R1,39	R1,55	R1,49	R1,50	R1,31	+19c	+14,50
TEA: Joko 100 tagless teabags	R2,79	R2,79	R2,75	R2,99	R2,95	R2,85	R2,90	-5c	-1,72
COFFEE: Nescafe Classic 250 g	R5,29	R5,49	R4,95	R5,95	R5,49	R5,43	R5,23	+20c	+3,82
COFFEE CREAMER: Cremora 500 g	R2,19	R2,29	R2,09	R2,25	R2,29	R2,22	R2,33	-11c	-4,72

PRICES EXCLUDE GST

THE SURVEY WAS CONDUCTED ON JULY 23



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# Dairy workers fired

CME TIME 10/10/50 3 DAY 30  
Labour Reporter

ABOUT 400 dairy workers were fired after going on strike at Dairybelle's factory in Epping and its Philippi branch yesterday morning.

The workers downed tools yesterday morning in support of demands for a payrise as well as recognition of the Retail and Allied Workers' Union.

Dairybelle's personnel manager, Mr Norman Jenkins, said yesterday workers had been given an ultimatum to return to work but had failed to do so and had then been told they were dismissed.

A Rawu spokesperson said the union had entered into an interim recognition agreement with management last year and a workers' committee had met regularly with management. Earlier this year, however, management said it no longer regarded the union as representative.

The spokesperson said Mr Jenkins had refused to meet with either the workers' committee or union officials yesterday, on the grounds that the union was not representative of the workers.

Imperial Cold Storage, Dairybelle's parent company, were due to meet with workers later.



**Ballot for  
dairy staff**

Labour Reporter

ABOUT 400 striking Dairybelle staff returned to work yesterday after management and the Retail and Allied Workers' Union agreed on a ballot to test the union's representivity.

A union spokesperson said management had agreed to a ballot on Monday.

Staff returned to work about 8.30am after management's agreement to the ballot had been conveyed to a workers' committee.

Mr Martin Henning, Dairybelle's general manager in the Western Cape said he had "no doubt" that the union would attain a majority vote — but the ballot would "for once and for all" enable management to justify negotiating with the union.

3-Dairy

17/8/85

APUS 15/8/85 30/11/85

# Dairy workers end strike: Secret ballot to be held

Labour Reporter

WORKERS who went on strike at Dairybelle's Epping and Philippi operations in support of demands for union recognition and an increased minimum wage are back at work.

A secret ballot to determine support for the Retail and Allied Workers' Union will be held on Monday.

A union spokesman said workers were demanding that management sign a recognition agreement and a R400 minimum wage.

Mr Martin Henning, general manager of Dairybelle in the Western Cape, said an agreement would be negotiated after Monday's ballot.

"We were deadlocked on the recognition issue because we wanted to determine union representation from their subscription lists."

"They refused to show these to us and demanded a ballot," he said.

He said about 400 workers were dismissed last night when they refused to return to work, but they had been reinstated.

**Dairy workers show support for their union**  
Labour Reporter

WORKERS at Dairybelle voted overwhelmingly in favour of the Retail and Allied Workers' Union in a ballot at all Cape Town plants to determine union support.

A union spokeswoman said more than 80 percent of the workforce voted and 96 percent were in favour of the union.

Negotiations on a main recognition agreement were expected to start this week.

The union already had several agreements with Dairybelle but wanted a consolidated recognition agreement to be negotiated.

3 Dairy 20/8/85

# Dairy Board loses R100 m

DISPATCH

04:09:85

3-Dairy

## Dispatch Bureau

PRETORIA — The South African dairy industry has suffered a loss of R100 million in the past three years in the export of skimmed milk powder and in promotional efforts to increase consumption, the Dairy Board chairman, Mr Jan van Vuuren, said.

The surplus skimmed milk powder now being exported at a loss to the West could be put to better use in South Africa he said.

However, an organisation was needed to distribute the milk powder domestically and particularly among the poorer section of the population.

Mr Van Vuuren said the current large surplus was caused by unnatural conditions, including the drought, which had forced farmers to switch to dairy production to ensure a cash income.

The Dairy Board general manager, Mr Eddie Roux, said the board wanted to make surpluses available locally at favourable prices.

However, it had been found when surpluses were fed into the system they were used to replace the product selling at the normal price and there was no increase in local sales.

APR 11 1985

(3) Dairy B. Day  
 Skimmed milk losses  
 4/9/87  
 leave R100m sour taste

Pretoria Bureau

THE dairy industry has suffered a loss of R100m in the past three years in the export of skimmed milk powder and promotionals to increase consumption, Dairy Board chairman Jan van Vuuren said.

The surplus skimmed milk powder being exported at a big loss could be put to better use in South Africa, he said.

An organisation was needed, however, to distribute the milk powder domestically — particularly among the poorer section of the population.

Van Vuuren said the big surplus was caused by unnatural conditions.

The last drought had forced farmers to switch to dairy production to ensure a cash income.

He said the position of the dairy farmers could become even more difficult if the unfavourable agricultural conditions continued.

He claimed that during the past 28 years there had been only four periods of surpluses of dairy products.

The current surplus, however, had lasted a long time.

Board GM Eddie Roux said the board wanted to make dairy surpluses available locally at favourable prices.

However, it had been found when surpluses were fed into the system they were used to replace the product selling at the normal price, and there was no increase in total sales.

He added that the board was working closely with the commission inquiring into the disposal of surplus agricultural products to find a solution.

# Dairy Board 3-Dairy saves firm 20/9/85 Mercury and 1 000 jobs

Pietermaritzburg  
Bureau

THE Creamline Dairies saga took a surprise turn here yesterday when on the eve of a final meeting of creditors, the Dairy Board decided to accept terms offered by a consortium of Natal businessmen and dairy farmers to save the 30-year-old company.

According to the head of the consortium, Mr Russell Stevens, 1 000 jobs which had been on the line are sure to be saved.

The Dairy Board's eleventh-hour decision has also allayed fears of a milk monopoly in Natal.

## Meeting today

In an interview after lengthy negotiations with Dairy Board officials in Pietermaritzburg, Mr Stevens announced that the board had decided to go along with other Creamline Dairies creditors in accepting a compromise offer for the liquidated company.

He said the votes would be formally counted at a final meeting of creditors in Durban today.

'Their decision will give us sufficient positive votes to effect the offer of compromise. There is no doubt about it that jobs will be saved.'

Mr Stevens pointed out that the offer would have

to be sanctioned by the Supreme Court.

According to Mr Stevens the Dairy Board, which is owed about R3 000 000, had initially been undecided and had raised a number of questions.

'We managed to satisfy their queries and they were happy with our answers.'

If the board had decided to vote against the compromise offer, the business would have closed on Monday.

There had been no other offers of compromise.

Mr Stevens said: 'It has been a very tricky 2½ months. We are talking about a R60 million-turn-over company which supplies 40 percent of the Natal milk market. The whole exercise has been a rescue operation with quite a unique set of circumstances.'

However Mr Stevens added: 'One cannot lose sight of the fact that we are in very tough recessionary times and it is not all going to be a bed of roses by any means'.

Speaking during the annual meeting of the Natal Fresh Milk Producers' Union here earlier in the day, Mr Stevens said he personally did not think it was in the interest of consumers to have only one distributor in Natal.

# Farmers back call for probe of milk fund

3 - Dairy & Milk

20/9/85 Mercury

## Pietermaritzburg Bureau

MORE than 150 Natal dairy farmers, meeting in the capital yesterday, supported a call for an investigation into the Dairy Board and, in particular, its stabilisation fund.

The move followed the unanimous adoption of two motions tabled at the Natal Fresh Milk Producers' Union's annual meeting.

The union's Greytown branch called on the union to see that an investigation was carried out into the Dairy Board, its functions and its necessity as presently constituted.

A motion by the Underberg/Himeville branch asked that the board's stabilisation fund and future requirements and the 'enormous unsubstantiated increases in the administration levy' be fully investigated.

The motion also called for an investigation into the 'general lack of feedback' on the use of levies which were costing a 2 000 £-a-day producer about R23 000 a year.

A number of speakers at yesterday's meeting expressed concern about lack of communication

between the board and milk producers and unanimously adopted a motion by the Nottingham Road branch demanding that the board, which was 'accountable to producers, organise urgent report-back meetings.

A Lidgetton dairy farmer and one of the organisers of the February farmers' rally, Mr Frank Isaacs, said: 'The Board must be accountable to the producer for its actions and for the money it spends, which it receives in the form of levies from our producers.

## Relinquish

'We want to hold meetings where we can really get to grips with the problems that beset us.'

'I know there is actually quite a lot of support for the idea that the board should be asked to relinquish control in Natal, but the board is here and we must make it work for us.'

The meeting was told farmers needed to be kept fully and accurately in the picture about their financial contributions.

Meanwhile the union's president, Mr David Bruce, said the producer price increase of 3,4 c/l from June 1 had been

long in coming.

In his annual report, Mr Bruce said the union was not entirely satisfied but realised that owing to the economic climate, little more could be expected.





Mr Russell Stevens ... 'business as usual.'

# Dairy creditors accept offer of compromise

21/9/85

Mercury  
Finance Reporter

3-Dairy

CREDITORS of Creamline Dairies agreed yesterday to accept offers of compromise at a meeting in Durban to save the company and the jobs of nearly 1 000 people.

This follows the Dairy Board's earlier acceptance of the terms of offer made by a consortium of Natal businessmen which mounted a rescue bid after the company was placed under provisional liquidation on June 12.

Final legal approval must still be handed down and this is expected on October 8.

A pleased Mr Russell Stevens, who has headed the consortium, said after the meeting that it would be 'business as usual' for the dairy and added that it had 'been a long and complicated process, but had ended satisfactorily'.

'It will also bring a great sense of relief to the employees at the Pinetown and Pietermaritzburg factories who have been working and living under a cloud since the middle of June,' he said.

## Streamlined

Mr Stevens, who has more than 55 percent control of the company, said Creamline, which had fallen into a 'pretty bad way' in the last few years, would now be streamlined and some changes would have to be made.

The group, when placed under provisional liquidation, had liabilities of R20 million and the book value of its assets was about R11m.

Major creditors are the Milk Board, Volskas Bank, various packaging companies and the shareholders.

# Milk's pricing under fire

D.D.  
26/1/85

3-Dairy

Dispatch Correspondent

PRETORIA — Dairy milk's price adjustment pattern was an important contributory factor to recurrent shortages and surpluses in the dairy industry, Mr H. D. Davel of the West Cape Agricultural Union, told the National Dairy Producers' conference here yesterday.

During surplus conditions, he pointed out, price increases were small. This discouraged production causing surpluses. He claimed it would be better for the producer, the manufacturer and the consumer if there were small realistic price adjustments rather than wildly fluctuating prices.

Another speaker said the decision to de-control the retail price of milk was a blunder. Policy should be directed at ensuring there were no large surpluses and not shortages.

He was critical, too, of the structure of the Dairy Board with its eight producer members, two distributors, two manufacturers and a consumer member. He recommended the board should consist entirely of producer members with representatives of distributors, industrialists and consumers as non-voting members.

IN EACH of the last four quarters the country's milk production has been lower than it was during the corresponding quarter in the previous year. Producers have simultaneously been quitting the industry in droves. During the last two years some 45% of our primary butterfat "producers," 28% of all condensed milk factory suppliers and 24% of cheese factory suppliers have either given up or gone to ground.

Yet the surplus of dairy produce has stubbornly refused to disappear. If the Dairy Board's figures are to be believed the current surplus, expressed as a percentage of total milk supply, is actually greater this year than it was last. Why?

The recession has obviously played its part. Black consumer boycotts of white shops cannot have helped. But most dairy produce prices are cheaper now in real terms than 18 months ago. And the abandonment of GST on basic foodstuffs should have helped.

Is there perhaps a real swing in taste or consumer preference away from milk and milk-based products? Or is the SA consumer simply not getting the service she wants from the manufacturers and distributors?

The Dairy Board has tried blanket advertising. It is still shelling out the shekels to promote the images of butter, cheese and fresh milk. But the results (which can't be measured) are, at best, unnoticeable.

Personally, I have my doubts whether the board's advertisements do any good to anyone at all bar the advertising agencies

# Creaming <sup>3</sup> the market

*R. Davy*  
24/10/85

SYMOND FISKE

A noted writer and consultant on agriculture looks at the decline in both milk production and producers despite a surplus of dairy produce in South Africa

and the SABC. This is not because the advertisements themselves are bad. They aren't. The problem is that it does no good to tell the market what it already knows.

We know about milk, and butter and cheese. We all know what they taste like, where to buy them and how we will feel after eating them. It only pays to advertise if you have actually got a message and that message must have something in it for the recipient.

This is why brand advertising is so much more effective. Clover can offer something that Chamoory doesn't. Nestle can offer something that Melrose doesn't. Creamline doesn't. Creamline can offer something that Dairy Belle doesn't. And Dairy Belle can doubtless find an opportunity which Clover has missed.

In some segments of the market — with ice cream, for instance, and yoghurts — this sort

of competition is working. It works well; the markets have been growing healthily and no one gives a hoot about cholesterol. Neither has it ever occurred to anyone that he or she might catch tuberculosis, cholera or Aids by eating processed cheese imported from some of Europe's least hygienic factories.

There are signs, healthy signs, that other segments of the local market will soon be opening up to the same sort of competition. "Zonings" amongst fresh milk distributors is coming under fire. The two big dairies in Natal have officially scrapped it. Seeing that they are both controlled by producers, this move is long overdue. Zoning benefits the idle middleman (by shielding him from competition) but can never, never benefit the primary producer.

In the black townships there is going to be a lot less interference with trade once the rioting stops — if only to ensure that it doesn't start again. This bodes well for the sale of milk and flavoured milks.

Retail price maintenance has been lifted for butter and cheese. Very soon we can expect to see branded cheddar, branded gouda and branded butter on the market in far smarter packs. And the products inside will be of better quality.

As soon as this begins happening farmers will take a greater interest in the management of the various co-ops and dairies they supply. Dissatisfaction with what they see could (indeed, should) result in even greater fragmentation.

Thus, for the first time since the Dairy Board stepped in to prevent it, there should be genuine competition amongst the mid-dlemen to secure milk and cream supplies.

mention cream in particular. During the last 30 years our farmers have gone overboard with Friesland and Holstein cows because the market for milk has been falsely homogenised and reduced to its lowest common denominator.

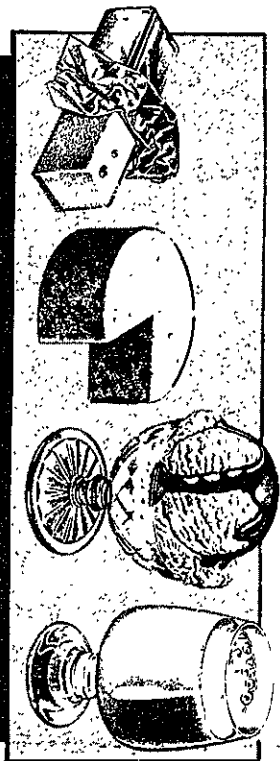
The market in future is going to be a split one. On the one hand there will be the tasteless/cost-conscious segment which will buy anything that is cheap enough provided it stores easily, keeps indefinitely and spreads. On the other we will find a taste-ful/image-conscious segment which will pay anything provided it receives genuine quality and flavour in return.

The scruffy sector will doubtless be catered for by a few very large processors who will dish up margarine and powdered milk at

## DAIRY PRODUCTS STOCKS

JULY 1984 COMPARED WITH JULY 1985  
STOCKS IN TONS

BUTTER	CHEESE	FULL-CREAM PRODUCTS	SKIMMED-MILK PRODUCTS
1984 1985	1984 1985	1984 1985	1984 1985
3 323 4 679	8 232 8 557	1 457 1 818	11 746 15 638



### NUMBER OF MILK PRODUCERS

FRESH MILK PRODUCERS (FINE CONTROLLED AREAS ONLY)	INDUSTRIAL MILK PRODUCERS	PRIMARY BUTTER FAT PRODUCERS
JULY 1983 JULY 1984 JULY 1985		
2 229 2 176 2 295	18 931 15 894 13 542	5 096 3 197 2 795

minimal cost to themselves. Their suppliers of raw materials will not receive high prices.

The smart sector is now the one to go for. It should be wooed by scores of enterprising and enterprising middlemen whose survival will hinge largely on their ability to achieve new standards of excellence. Every man jack of them will wish to attract the best raw materials.

Already there are signs that we are going to run out of butterfat before we have a shortage of skimmed milk. And we are going to run out of milk suitable for making yoghurt (because it must

be antibiotic free as well as clean) before we run short of condensing milk and bottling milk.

That brings us back to the Dairy Board's statistics. "Consumption" as measured by the Dairy Board is not real consumption at all. The figures actually reflect purchases by retailers.

During the recession and while interest rates have been high the retailers have had a compelling incentive to remain under-stocked. And their customers have probably been more careful than usual not to over-buy. Those pressures are now abating.

Milk,  
Mercury  
cheese,  
30/11/85  
butter  
3-Dairy  
to go up

PRETORIA—The wholesale price of skim-milk powder was to be decreased by 60 c/kg, while the price of industrial milk was to increase, as was the wholesale price of cheese and butter, the chairman of the Dairy Board said here yesterday.

Mr Jan van Vuuren said the price reduction of skim-milk powder was made possible by a reduction in the price of butterfat, which meant the price of butter had to be increased. It was expected that the lower-priced skim-milk powder would work through to the consumer in a matter of weeks.

Mr van Vuuren also announced that the producer price of first-quality industrial milk would rise by 142 c per 100 kg milk from December 1.

This meant that the consumer price of butter, cheddar and gouda cheese would increase slightly.

The industrial milk price was to be increased by 3,7 percent to prevent the development of possible structural disturbances within the milk production sector by bringing the price of industrial milk more in line with that of fresh milk, the statement said.

### 'Pressures'

The wholesale price of cheddar and gouda cheese was to be increased by 11 c/kg (or 2,1 percent), and the wholesale price of butter by 38 c/kg or 7,5 percent.

These increases would take effect only on February 1, 1986.

Mr van Vuuren also announced that the levy payable by producers of fresh and industrial milk would be increased by 0,5 c/l from December 1 and that the funds collected would be used to stabilise the industry and finance forced removal of surplus stocks.

In conclusion, Mr van Vuuren said the cost of milk production as well as that of the manufacturing of dairy products had increased considerably over the past year due to inflationary pressures and considerably bigger increases would, in fact, not have been unreasonable.

Dairy farmers, manufacturers and distributors of dairy products were, in today's unfavourable economic conditions, prepared to accept only modest increases so as not to increase consumer prices unduly. — (Sapa)

Price of  
milk set  
to rise

Bus DAY 4/12/85

GERALD REILLY

AN INCREASE in the price of fresh milk in major urban areas is certain early in the new year, if not before, according to informed sources in Pretoria.

Last week the SA Milk Distributors Union met in Johannesburg to review cost increases, and although the union has no authority to impose price rises, it makes recommendations to its members.

Chairman of the union Marthinus Harmann said after the meeting that some dairies had already raised their price, and others could be expected to follow.

Major cost increases included fuel and milk cartons.

Carton material has to be imported, and with the low exchange value of the rand, costs have rocketed.

Control over the retail price of milk was lifted last year.

3-MILK Dairy

# Project to bring milk to destitute

Consumer Reporter

The National Co-Operative Dairies (NCD) has launched a milk relief project aimed at giving away a million litres of milk to destitute families within its marketing areas.

More than 100 000 litres of milk are being handed over to various charitable organisations at the A W Muller stadium at the Onderwyskollege Goudstad in Johannesburg today.

Simultaneously, milk powder will be given to a welfare organisation in Durban.

The project was announced in a statement by Mr Hannes Besselaar, a Northern Cape farmer and chairman of NCD, and Dr M N Hermann, general manager (operations) of NCD.

All NCD members have been asked to donate milk.

AGRICULTURE — OTHERS —

DAIRY & MILK — 1986

JAN. — DEC.

# 6c milk price rise will increase glut

By Colleen Ryan

In spite of a big surplus in skim milk powder, dairies in the Transvaal have increased the price of milk by an average 6c a litre.

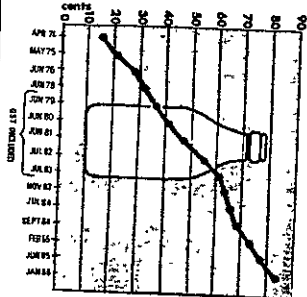
There are fears that the rise could lead to a drop in milk consumption and a further build-up in the milk powder glut.

The dairies are increasing the price of bottled milk from 77c to 83c a litre. Supermarket prices will increase from about 79c to 85c, though retailers say they will hold the old

STAR

6/1/86

MILK



**HOW THE MILK PRICE HAS GONE UP**

1 litre  
WAS 77c  
NOW 83c

1 litre  
WAS 79c/82c  
NOW 85c/88c  
(Variation in Supermarket prices)

## Consumption worry

The chairman of the national dairy committee of the South African Agricultural Union, Dr Vos Grey, said the increase was excessive and could have an effect on consumption. "Farmers here are the same inflationary pressures, on them as distributors. They acted with great responsibility when they agreed to hold their prices this year," Dairies claim that the petrol price rise, higher labour costs and the high cost of imported packaging materials have forced them to increase prices. A spokesman for NCD said it was perturbed about what effect the increase could have on consumption. "People must understand that this inflation rate spiral will take its toll. This increase covers higher packaging costs and the previous petrol price increase." Asked to comment on the surplus milk powder build-up, he said it was nonsense to claim there was a large glut. The Housewives' League has also slammed the rise and warned that consumers would have no option but to cut back. Vice-president Mrs Jean Tatham said it had come at "exactly the wrong economic time". The Government has lifted the price control on milk for retailers and distributors, but the producer price is still subject to control.

A spokesman for Pick n Pay said the present price of 79c a litre would be held until mid-February. Prices at Checkers and the OK will remain unchanged during January. Prices at cates will vary, but according to a random survey of prices by The Star, average prices will range between 98c and 1.05 a litre. Some dairies, such as NCD, put up their price in December, but at least one large distributor, Nels, will introduce the new price only later this week. The increase by distributors has come as a big blow to producers, who agreed not to raise their prices because of the milk powder surplus. Before the increase was announced, the Dairy Board warned that the present surplus of 12 800 tons of skim milk powder was expected to rise to 32 428 tons by February 1987.



Call to use powdered type in protest

# Public is urged: Don't buy fresh milk for a week

③ MILK  
BUS DAY TO 11/86

THE National Consumer Council has called on consumers not to buy fresh milk for a week in protest at the latest price increase.

Chairman Betty Hirzel urged consumers yesterday to use powdered milk instead of fresh milk and said the move, if successful, would force distributors to reconsider the 6c/l increase.

"Powdered milk is an excellent substitute for fresh milk because it contains the protein which is the most essential constituent of milk," Hirzel said. "There is an enormous surplus of powdered milk and it is considerably cheaper than fresh milk."

Powdered milk manufacturers have promised to reduce prices by 65c a kg. Meanwhile Consumer Council director Jan Cronje has accused the distributors of price-fixing.

Cronje said he was "amazed that a simultaneous price hike was announced by milk distributors.

"It is ironic that against a background of a big milk surplus, distributors fix the same price rise."

He said although the Milk Board accepted new distributors who met certain requirements, it was "obvious there were too few distributors to make free enterprise work".

He asked whether the nature of these requirements was making acceptance to

GERALD REILLY

the milk distributive trade difficult, or whether established distributors had closed ranks to keep newcomers out.

The council said it supported the view of Agriculture Minister Greyling Wentzel that supply and demand should regulate prices. Cronje said spiralling prices were forcing consumers to use consumer resistance to combat inflation.

ALAN PEAT reports that fresh milk consumption has declined in recent years as consumer prices have risen.

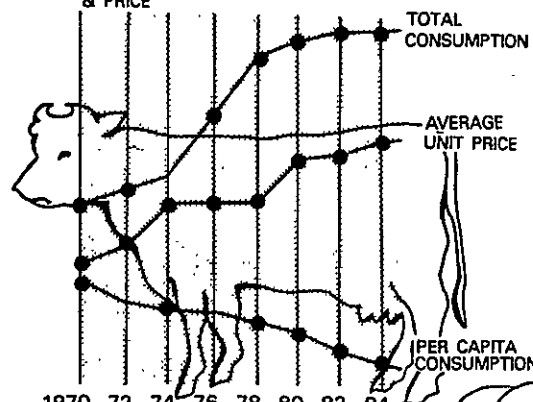
Since milk price controls ended in July 1983, the consumer price has risen by about 30%. Experts say milk consumption is directly related to price, despite other factors such as health.

A member of the milk industry said: "The health stigmas have proved to be only temporary aberrations. Price is the influencing factor. This is particularly true among blacks, whose allowable income for such products is low."

At the turn of the century, the producer price of milk was 4.4c/l. This rose slowly until 1963, when the price breached the 6c/l level. Since then, the producer price has risen by more than 510% and the per capita consumption has fallen by over 40%.

In the same period, the total consumption of milk in its many forms has risen less than 7%.

SPILT MILK  
TRENDS IN MILK CONSUMPTION  
& PRICE



## Local packaging could limit rises

ALAN PEAT

SAPPI and Mondi are competing to produce a locally-manufactured paper board suitable for milk cartons.

A successful product could reduce future increases in the retail price of milk.

The increased cost of imported packaging was given as a major cause of the latest price increase.

Both Sappi and Mondi said yesterday they were testing local production equipment and had made "encouraging" progress towards producing the complicated board used for milk cartons.

Executives of both companies said the reason for non-availability of the board until now was lack of necessary high-tech plant facilities. Major capital expansion by both companies last year had made these facilities available.

Sappi hoped to have the board commercially available by the middle of this year and Mondi before the end of the year.

Metal Box Liquid Packaging and Tetra Pak, two major producers of milk cartons, both welcomed the prospect of local raw materials.

A Dairy Board spokesman said: "We hope distributors will be able to keep the price of milk down for longer with local packaging material."

BUS DAY TO 11/86

# Price controls 'could help'

W/E ARGUS 11/1/86 3 DAIRY

11/1/86

Weekend Argus Correspondent

JOHANNESBURG. — South Africa's milk industry was caught in a vicious cycle of price rises which price controls could help curb, said Dairy Board chairman Mr Jan van Vuuren.

He denied reports that he had called for an investigation into the milk pricing structure.

He said milk producers were eager to see price controls re-introduced and if enough of them made representations to the Dairy Board, he would see an inquiry was held.

## Justified

However, he said the latest 6c a litre increase in the Transvaal by milk distributors was, on the figures, justified. Milk distributors had seen transport and packaging costs soar in the last year.

Two major Cape Town distributors have increased their prices by 2c a litre.

Mr van Vuuren said he was aware of a number of producers who were worried that the latest round of increases would harm the industry. These farmers would welcome the re-introduction of price controls.

The South African National Consumer Union today urged consumers to boycott fresh milk and use powdered milk.

Chairman Mrs Betty Hirzel said if all South Africans did this for only one week distributors would have to think again about the exorbitant price increase.

"Following the abolition of price control on milk at retail level and of GST, this increase makes consumers lose faith in the free-market system," she said.

Powdered milk was cheaper, she said, and manufacturers had promised to reduce its price by 65c a kg.

# League to seek return of milk price control

By Jackie Unwin

The Housewives' League is to ask the Minister of Agriculture to reintroduce price control on milk as a temporary measure because of the poor economic climate.

Reacting to the recent 6c a litre increase in the price of fresh milk, the vice-president of the league, Mrs Jean Tatham, said: "There is a general misconception that the lifting of price control has brought about competition in the milk price. The distributors agreed to the opening up of registration of dairies if price control were lifted.

"The Dairy Board thought this would create enough competition but, with our economic times, there just hasn't been the money to encourage the opening of new dairies.

"Where new dairies have appeared and there is competition we find a variation in price.

"Price control does not mean rigid pricing. Any retailer can undercut the controlled price. It still leaves room for fluctuation but should cut out the exorbitant increases with which we are being confronted."

Mrs Betty Hirzel, chairman of the Consumer Union, does not support the call for milk price control to be reimposed.

"I have sympathy with the suggestion but I know that, if we want to get into a free economy, we cannot be retrogressive and go back to control. We have to put our energies into ensuring that there is competition and just not buy the product if it is too expensive."

15/1/86  
STAR  
③ MILK

81  
-----  
66L  
413

# Butter and cheese at old prices

**THE recent price hike on butter and cheese has sparked a price war between the country's largest supermarket chains — all to the benefit of the consumer.**

The chain stores — Pick 'n Pay, Checkers and OK — have either reduced or held down the prices on these dairy products.

The price of butter and cheese recently went up by 7,4 and 2,1 percent respectively.

A survey conducted by The SOWETAN yesterday showed that the three supermarket groups were selling butter and cheese at the same price — butter at R2,59 per 500 grams and, gouda and cheddar cheese at R5,49 per kilogram.

"We hope to hold our

By **LEN MASEKO**

prices for as long as possible," said Checkers public relations officer, Mrs Adele Gouws.

Mr Jeff Kahn of Pick 'n Pay said the chain store had bought stock in advance "so as to avoid increasing the price of these commodities."

Meanwhile, OK, has announced that the price of butter and cheese will be reduced at its outlets as from February 1. The supermarket is now selling butter at R2,59 per 500 g and, gouda and cheddar cheese at R5,49 per kg.

This step brings OK's butter and cheese price on par with those of its two main competitors, Checkers and Pick 'n Pay.

*3-Dairy*  
*3-28 SOWETAN*  
"We are one of the largest retailers of butter and cheese in the country," said Mr Ralph Horwitz, OK's general manager, "so subsidising the price of these basic commodities is meaningful to South African consumers who are feeling the impact of punitive price hikes."

M.C. RAAS  
22/2/86  
22/2/86  
3 1986-1

# Pay for surplus, pay for shortage

Weekend Argus  
Correspondent

JOHANNESBURG. — The Dairy Board — which has spent R37,7-million disposing of the dairy surplus — now faces a possible shortage and has warned that this may lead to a price increase.

Yet at the end of last year the Dairy Board issued a warning that the surplus of 12 809 tons of skim-milk powder was expected to rise to 32 428 by February 1987.

The general manager of the Dairy Board, Mr Edu Roux, said the surplus stocks had, with the exception of butter, been cleared.

The dairy surplus built up in difficult times when the other farming sectors switched to milk production, but with good rains farmers had returned to beef production.

"Milk production has dropped eight percent for the country as a whole and in some individual cases by 30 percent."

Mr Roux said the producer prices of milk would have to be increased if a shortage of dairy products arose.

The Dairy Board had not yet considered any price increase, but demand and supply would be monitored carefully in coming months.

# Dairy farmers may get rise

Mercury Correspondent

JOHANNESBURG—An increase in the producer price of milk is expected to be approved by the Dairy Board next week. The fresh-milk price was last raised — by 3,5 c/l — in June.

Half a cent of the increase was levied to meet losses suffered on surplus exports. The industrial price was raised by 1,5 c/l in November, and again

half a cent was taken to meet export losses.

The South African Agricultural Union's national dairy committee chairman, Mr J H Grey, claims a huge backlog has developed in producers' prices. Fresh-milk producers are averaging 39 c/l, before transport costs, which is virtually a break-even price.

Most farmers are getting no return on their production, Mr Grey claims, and the committee has asked

for an increase of about 10 percent.

The lower petrol price would save the industry only 0,1 c/l, it is claimed, but a firmer rand could lower the cost of importing materials for making milk cartons.

Mr Grey said producers had been angered by the 6 c/l hike imposed by milk distributors in November.

This was calculated to have a depressing effect on

milk consumption and, therefore, reduced farmers' returns.

The reason for the high milk flow, Mr Grey said, was that failed production in other agricultural sectors had forced many farmers to turn to milk production to increase their cash flow, and because of low income from milk production dairy farmers were compelled to raise production in an attempt to improve incomes.

Bus Day  
Milk price set to rise

DAIRY+MILK  
GERALD REILLY 4/3/86  
AN INCREASE in the producer milk price is expected to be approved by the Dairy Board next week. The fresh-milk price was last raised — by 3,5c/l — in June.

The SA Agricultural Union's National Dairy Committee chairman J H Grey claims a huge backlog has developed in producers' prices. Fresh-milk producers are averaging 39c/l, before transport costs, which is virtually a break-even price.

Most farmers are getting no return on their production, Grey claims, and the committee has asked for an increase of about 10%.

The lower petrol price would save the industry only 0,1c/l, it is claimed, but a firmer rand could lower the cost of importing materials for making milk cartons.

MONDAY, 24 MARCH 1986

groups is continually monitored and adjustments are made as the need arises.

†Indicates translated version.

(2) Yes.

For written reply:

General Affairs:

Illegal employees

(a) Berylvlet Meadowridge Rate Payers Association, Meadowridge Baptist Church, the President of Kontak as well as three individuals.

306. Mr R A F SWART asked the Minister of Constitutional Development and Planning:

(b) The opening of all passenger coaches to all races.

(a) How many persons were arrested for illegally employing Blacks in each specified Development Board area in 1985 and (b) what was the total number of Black employers involved in that year?

Herbicides

521. Mr R W HARDINGHAM asked the Minister of Agricultural Economics:

THE MINISTER OF CONSTITUTIONAL DEVELOPMENT AND PLANNING:

(a) None.

(b) None.

Q COL 665

(a) What amount was spent on herbicides for the control of noxious plants during the latest specified period of 12 months for which figures are available, (b) what noxious plants were involved and (c) what amount was spent on each of these plant varieties?

THE MINISTER OF TRANSPORT AFFAIRS:

THE MINISTER OF AGRICULTURAL ECONOMICS:

(1) Whether he intends opening any further railway coaches on trains for occupation by all race groups; if not, why not; if so, (a) which coaches and (b) when;

(a) R395 160 was spent by the Department for the period 1 February 1985 to 31 January 1986.

(2) whether he or any member of the South African Transport Services has received any representations regarding the opening of such coaches for occupation by all race groups since the first multiracial coaches were introduced in 1985; if so, (a) from whom and (b) what was the nature of these representations?

(b) and (c) *Jointed Cactus* ..... R465 354  
*Imbricate Cactus* ..... R 14 320  
*Prickley Pear* ..... R 62 286  
*Nassella tussock* ..... R 53 200

THE MINISTER OF TRANSPORT AFFAIRS:

(1) (a) and (b) The occupation of passenger coaches by the various population

541. Mr P A MYBURGH asked the Minister of Agricultural Economics:  
*MILK*  
*ODDARBY*  
(a) What was the producer's price of (i) fresh milk and (ii) industrial milk as at 1 June 1985 and (b) what price increases have come into effect in respect of each category since that date?  
*HANDWRD 04/3/86 Q COL 666*



**THE MINISTER OF AGRICULTURAL ECONOMICS:**

- (a) (i) *Fresh milk*
- |               |       |
|---------------|-------|
| Bloemfontein: | 44,29 |
| Cape:         | 47,42 |
| Natal:        | 45,12 |
| Transvaal:    | 45,13 |
- cent per litre with effect from 1 June 1985
- Prices paid by distributors to the Board for producer's milk with 3,5% butterfat.

- (ii) *Industrial milk* (according to grades and chemical quality)
- |                               |                                       |
|-------------------------------|---------------------------------------|
| Grade A plus bulk facilities: | 466 cent per kg butterfat and protein |
| Grade A:                      | 407 cent per kg butterfat and protein |
| Grade B:                      | 394 cent per kg butterfat and protein |
| Grade C:                      | 378 cent per kg butterfat and protein |

- (b) *Fresh milk:*
- Industrial milk:*
- Grade A plus bulk facilities:
- Grade A:
- Grade B:
- Grade C:
- None.
- (with effect from 85/12/01)
- 20 cent per kg butterfat and protein
- None
- None
- None
- None.

HANSMAN 24/3/86  
Production/exports  
442. Mr P A MYBURGH asked the Minister of Agricultural Economics:

What was the value of the Republic's agricultural (a) production and (b) exports in 1985?

**THE MINISTER OF AGRICULTURAL ECONOMICS:**

(a) R10 641 million.

(b) R2 200 million (preliminary estimates).

Q 202 667  
Marketing Act  
49. Mr P A MYBURGH asked the Minister of Agricultural Economics:

What percentage of South Africa's total agricultural production in the 1984-85 production seasons was not under the control of any board established under the Marketing Act No 59 of 1968?

**THE MINISTER OF AGRICULTURAL ECONOMICS:**

28,6 per cent.

Q 203 669  
Bread/maize/butter: subsidies  
652. 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 1984-85 financial year?

**THE MINISTER OF AGRICULTURAL ECONOMICS:**

(a) R194 285 276.

(b) R215 million, including R48 803 790 in respect of losses on imported maize.

(c) None.

Q 204 669  
Black Transport Services Act  
673. Mr D J N MALCOMESS asked the Minister of Transport Affairs:

What was the total amount collected in terms of the provisions of the Black Transport Services Act, No 53 of 1957, in contributions from employers between July 1957 and 31 March 1985?

**THE MINISTER OF TRANSPORT AFFAIRS:**

R259 011 557,49.

Q 205 669  
Land and Agricultural Bank  
699. Mr D J N MALCOMESS asked the Minister of Finance:

(1) How many (a) Whites, (b) Coloureds, (c) Indians and (d) Blacks are employed by the Land and Agricultural Bank;

(2) whether any such employees are in receipt of housing loans from this Bank; if so, how many in respect of each race group;

(3) whether any of these housing loans exceed R70 000; if so, how many;

(4) what is the amount of the highest housing loan received by an employee of this Bank;

(5) in respect of what date is this information furnished?

**THE MINISTER OF FINANCE:**

(1) (a) 993.

(b) 27.

(c) None.

(d) 129.

(2) Yes—Whites 495, Coloureds 6 and Blacks 1.

(3) Yes—41.

(4) R97 500.

(5) 31 December 1985.

TUESDAY, 25 MARCH 1986

#Indicates translated version.

For oral reply:

General Affairs:

Question standing over from Tuesday, 18 March 1986:

Birkenhead

\*31. Mr R M BURROWS asked the Minister of National Education:

(1) Whether the National Monuments Council has received any applications for permits for divers to (a) inspect the wreck of the *Birkenhead* and (b) recover wreck material from it; if so, (i) when and (ii) from whom;

(2) whether any permits were granted; if so, (a) to whom and (b) when;

Amounts owed

606. Mr H H SCHWARZ asked the Minister of Finance:

What amounts were owing to private bodies and persons by the Government, other than on bank facilities and stock issues, as at the latest specified date for which figures are available?

The MINISTER OF FINANCE:

R1 238 701 159—as at 28 February 1986. (This amount excludes foreign loans, stock issues and Treasury Bills).

Gold

617. Mr H H SCHWARZ asked Minister of Finance:

What quantity of gold was made available in the Republic in 1985 to (a) jewelers and (b) other concerns for manufacturing purposes?

The MINISTER OF FINANCE:

(a) 741 048 314 gram

(b) 1 146 366 700 gram

*Handwritten:* 25/3/86 QCS 748  
 HANSBARD MILLER  
 618. Mr H H SCHWARZ asked the Minister of Finance:

(a) What (a) total quantity of milk-powder was (i) exported and (ii) imported from 1 December 1984 to the latest specified date for which figures are available and (b) was the value of the milk-powder (i) exported and (ii) imported during that period?

The MINISTER OF FINANCE:

(1) The export and import statistics in respect of milk-powder for the period 1 December 1984 to 31 October 1985 are as follows:

(a) (i) 7 542 839 kg

(ii) 4 837 895 kg

HOA

part and (b) what is the total number of (i) pupils of all race groups and (ii) non-white pupils in these schools;

(3) in respect of what date is this information furnished?

The MINISTER OF EDUCATION AND CULTURE:

(3) December 1985.

(b) For the schools mentioned in 2(a) the numbers are as follows:

(i) 55 398.

(ii) 5 569.

(1) (a) Only the number of private schools registered with provincial educational departments is known to this department.

(b) Falls away.

(2) No.

(a) None. There are, however 226 schools which at present still fall under provincial education departments.

The MINISTER OF EDUCATION AND CULTURE:

How many (a) White, (b) Coloured, (c) Asian, (d) Black and (e) other students were registered in 1985 at each university falling under the control of his Department?

Students registered

30. Mr H E J VAN RENSBURG asked the Minister of Education and Culture:

	White.	Coloured	Asian	Black	Other
University of Orange-Free State	8 400	21	—	37	—
Natal	8 400	238	1 577	994	—
Rhodes	2 904	116	140	375	—
Rand Afrikaans	6 555	60	3	42	—
Witwatersrand	14 287	230	975	983	—
Potchefstroom	8 725	27	3	51	—
Port Elizabeth	3 573	265	27	49	—
Pretoria	19 119	2	8	6	—
Cape Town	10 079	1 154	269	338	—
Stellenbosch	12 924	203	7	15	—
South Africa	46 281	3 872	8 210	17 556	—

The above provisional statistics were obtained from SAPSE table 2.7 received from the universities and included undergraduate and post-graduate students.

ment during the 1985-86 financial year or the latest specified period of 12 months for which figures are available?

The MINISTER OF EDUCATION AND CULTURE:

31. Mr H E J VAN RENSBURG asked the Minister of Education and Culture:

State Revenue Account

1985-86: R1 727 186.

What was the total capital expenditure from the State Revenue Account on universities under the control of his Department?

This amount was in respect of the University of Pretoria for the extension of the

HOA

STAY 4/1/41  
3 DAILY

## Butter surplus under review

The Dairy Board has appointed a working committee to consider various ways of getting rid of a surplus of 6 000 to 8 000 tons of butter.

The deputy General Manager of the board, Mr. Willem Nutt, said the surplus was due to the overproduction of skimmed milk powder, from which butter fat is derived.

The board will meet next week to consider the committee's recommendations, which will then be forwarded to Agriculture Minister Mr. Greyling Wentzel.

Mr. Nutt declined to say what schemes were under consideration.

But he said the sale of the excess on the international market was one scheme under consideration. — Pretoria Bureau.

# Dairy Board might sell 8 000 tons of butter at a loss

SUN DAY 4/4/66

3 Dairy

THE Dairy Board might dump 8 000 tons of surplus butter on the glutted international market at a loss of millions of rands.

It says the alternative — subsidising local prices — would mean even greater losses for the board, which expects its Stabilisation Fund to be R26m in

the red by February.

The butter mountain is the result of overproduction of skimmed milk powder, from which butter fat is derived. In the 12 months to March the board lost R37,7m in disposing of 195 000 tons of surplus skimmed milk powder.

The board has appointed a working committee to consider urgently ways of getting rid of the excess butter. Its recommendations will be submitted to

LINDA ENSOR  
Agriculture Minister Greyling  
Wentzel

Board deputy GM Willem Nutt says exporting the butter will result in losses of millions of rands.

Foreign countries subsidise butter exports which are consequently sold at very low prices.

He insists that butter prices on the

local market cannot be reduced because the board would have to spend millions of rands in subsidising them to ensure the guaranteed profit margins of butter producers.

“Whatever solution is reached by the working committee must not upset the present trade,” Nutt stresses.

Consumer Union chairman Betty Hirzel says it is impractical to slash local prices as consumers would buy

large quantities on a one-off basis and surpluses would arise again.

Operation Hunger director Ina Perlman says her organisation would welcome some of surplus butter.

She says that while Operation Hunger generally does not buy butter because it is a luxury item, it would do so if offered it at a reduced price.

Nutt would not comment on whether such a move was possible.

# Loss of millions in butter dump,

3-Dary

H/2/82

SALDRU  
SCHOOL OF ECONOMICS  
U.C.T.

**JOHANNESBURG** — The Dairy Board is set to dump 300,000 tons of surplus butter on the glutted international market at a loss of millions of rand.

The board says the alternative — subsidising local prices — would mean even greater losses and in any case it expects its stabilisation fund to be R26 million in the red by next February.

The butter mountain is the result of overproduction of skimmed milk powder, from which butter fat is derived. In the 12 months to March this year the board's cost was R37,7 million in disposing of 195,000 tons of surplus skimmed milk powder.

The board has appointed a working committee to urgently consider ways of getting rid of the excess butter. Its recommendations...

## Mercury Correspondent

tions will be submitted to the Minister of Agriculture, Mr Greyling Wentzel.

The board's deputy general manager Willem Nutt says exporting the butter will result in losses of millions of rands. Foreign countries already subsidise butter exports and they are consequently sold at very low prices.

He said that butter prices on the local market could not be reduced, because the board would have to spend millions of rand subsidising them to ensure guaranteed profit margins for butter producers.

## Impractical

'Whatever solution is reached by the working committee it must not upset the present trade,' Mr Nutt said.



Mrs. Betty Hirzel, chairman of the Consumer Union, agreed that it was impractical to slash local prices, as consumers would buy large quantities on a one-off basis and surpluses would again arise.

Operation Hunger director Mrs Ina Perlman said her organisation would welcome some of the surplus butter.

She said that while Operation Hunger generally does not buy butter, because it is a luxury item, it would do so if offered it at a reduced price.

Mr Nutt would not comment on whether such a move was possible.

Scheme, specific control measures are not justified and has therefore recommended that—

The MINISTER OF COMMUNICATIONS:

destructive registration of fresh milk distributors be abolished; restrictive registration of industrial milk manufacturers be abolished; the single channel prohibition in respect of butter and cheese be abolished; the fixation of wholesale and retail prices in respect of butter and cheese be abolished; and the Dairy Board will only purchase surplus butter and skimmed milk.

- (1) (a) 1 615;  
(b) (i) 1 036; and  
(ii) 437.

(2) Yes;

- (a) 418, as at 28 February 1986; and  
(b) 88 of the applications will be met as soon as the unrest situation in the Black residential area is normalised, 201 during the first quarter of the 1986-87 financial year after completion of an extension to the exchange, 24 later during that financial year and the remaining 105 during the 1988-89 financial year after completion of cable works.

Sheep scab

645. Mr E K MOORCROFT asked the Minister of Agricultural Economics:

- (1) How many outbreaks of sheep scab were reported in the Republic in 1985;  
(2) how many farmers were prosecuted in that year for offences under the relevant provisions of the Animal Diseases and Parasites Act, No 13 of 1956?

The MINISTER OF AGRICULTURAL ECONOMICS:

- (1) 106 of which 23 occurred in Kwazulu.  
(2) 13.

651. *652 876*  
*653 876*  
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 1984-85 financial year?

The MINISTER OF AGRICULTURAL ECONOMICS:

2 987 hectares.

*654 877*  
*655 877*  
State veterinarians  
Mr E K MOORCROFT asked the Minister of Agricultural Economics:

Whether there are any vacancies for State veterinarians in his Department; if so, how many?

The MINISTER OF AGRICULTURAL ECONOMICS:

Yes, 18 vacancies.

*654 877*  
*655 877*  
Veterinarians  
Mr E K MOORCROFT asked the Minister of Agricultural Economics:

(a) How many (i) White, (ii) Black, (iii) Coloured and (iv) Asian veterinarians are registered in the Republic at present and (b) in respect of what date is this information furnished?

The MINISTER OF AGRICULTURAL ECONOMICS:

- (a) (i) 1 343.  
(ii) 1.  
(iii) 1.  
(iv) 3.

(Figures are for the RSA and National States).

(b) 20 March 1986.

Blue Train

665. Mr D J N MALCOMESS asked the Minister of Transport Affairs:

- (1) How many passengers travelled on the Blue Train in 1985;  
(2) whether all such passengers paid the

full fare; if not, how many paid the full fare in that year?

The MINISTER OF TRANSPORT AFFAIRS:

(1) 16 299.

(2) No, 16 050 (ie 98,5 per cent).

*675 878*  
*676 878*  
Milk-powder  
Mr D J N MALCOMESS asked the Minister of Agricultural Economics:

(1) How much milk-powder was (a) produced and (b) sold in the Republic in 1985;

(2) whether milk-powder was imported in this year; if so, (a) by whom, (b) from what country or countries and (c) at what price in each case;

(3) whether any South African individuals or companies acted as agents in any of these transactions; if so, what are their names;

(4) whether milk-powder is being exported at present; if so, at what price;

(5) whether any South African individuals or companies are acting as agents in such transactions at present; if so, what are their names;

(6) whether this milk-powder is being exported at a loss; if so, (a) what is the nature of the loss and (b) how will this loss be recouped?

The MINISTER OF AGRICULTURAL ECONOMICS:

- (1) (a) 24 719 ton skimmed milk powder  
11 214 ton full cream milk powder.  
(b) (a) 16 248 ton skimmed milk powder  
11 835 ton full cream milk powder.

(3) No, the reports have been submitted to the Boards concerned and the South African Agricultural Union. Certain recommendations in respect of the Dairy Scheme are being applied already.

Telephones

642. Mr E K MOORCROFT asked the Minister of Communications:

(1) How many (a) applications for telephones were received and (b) telephones were installed for (i) private and (ii) business purposes in Grahamstown in 1985;

(2) whether there is a backlog for this area at present; if so, (a) what was the backlog as at the latest specified date for which figures are available and (b) when is it anticipated that the backlog will be eliminated?

BUDDIAY  
9/4/86  
③ DAIRY

# ENTS LIMITED

(/22396/06)

ates of Industrial & Commercial Holdings  
ings in the property-owning companies,  
e (Pty) Limited, to Tamboti Property Fund  
million. In terms of the vendor agreements  
a maximum of 5 171 500 Tamboti units  
930 500 units at an issue price of 200 cents  
will be retained as cash.

of these units directly into the hands of its  
50 units for every 100 ordinary shares held  
in order to enable issues to acquire its  
will become entitled to 3 979 237 units  
totalled to 861 262 units (R1 722 524).

into the hands of its members on the basis  
them in issues by way of a scheme of  
of arrangement and proposals will be

ed today, will be held on Thursday, 1 May  
on Thursday, 1 May 1986, to consider the  
ation of the scheme and the proposals.

to vote at the meetings.

by 16h30 April 29  
by 16h00 April 30

May 1

May 1

May 5

ation May 5-12

May 9

May 13

May 13

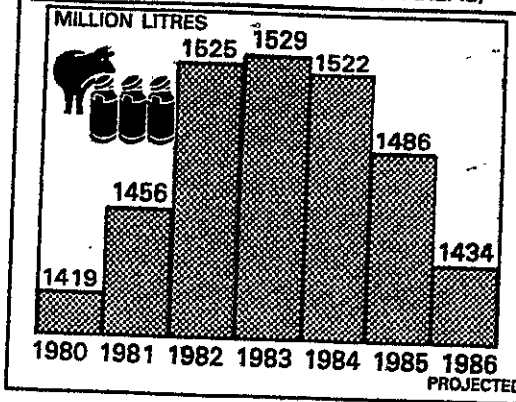
burg Stock Exchange May 14

members from this date  
ees) May 14

adment will be published in the press.

# Milk production decline forecast

## SOUTH AFRICA'S INDUSTRIAL AND FRESH MILK PRODUCTION (EXCLUDING UNCONTROLLED AREAS)



LINDA ENSOR

THE Dairy Board believes milk production will decline by 3,2% this year and hopes this will alleviate any problems with surpluses.

Last year, 1,486-billion litres of industrial and fresh milk were produced and 1,434-billion litres have been estimated for the current year. These figures exclude milk produced in uncontrolled areas, which yield on average 240-million litres a year.

The existing 8 000-ton butter surplus arose largely from milk over-production last year.

Board deputy GM Willem Nutt says there are "normal" stocks of milk, cheese and condensed milk to meet consumption requirements and no more surpluses are expected.

He says milk production is largely dependent on what is happening in other farming sectors.

It increases when farmers have poor crops because it provides a ready cash flow. A fairly good maize crop of about 8-million tons is expected this year and farmers may consequently switch away from milk production, especially when account is taken of increased costs.

Another reason for the expected decline is that many producers may quit farming altogether for financial reasons.

*Cap Times 1/26/66*  
**Cut in milk price**

**Staff Reporter**

FROM Monday, major chainstores supplied by Van Riebeeck Dairies will reduce milk prices by one or two cents a litre carton of milk.

The reduced price will, however, apply only in areas where Van Riebeeck supply milk as the other supplier, Dairy-belle, is not lowering its price.

A spokesman for Van Riebeeck said the company was able to reduce the price as a result of the improved foreign-exchange rate with the resulting lower price of imported cardboard and the reduction in fuel costs.

However, home deliveries, which were done with electric vehicles, would stay the same.

Pick 'n Pay, Checkers and OK Bazaars said they would pass the benefit on to consumers. Shoprite stores reduced the price of milk yesterday, a spokesman said.



## Milk price increase in the pipeline

STAR 30148 (3) DAIRY  
A price increase in the producer price of fresh milk is in the offing but has not yet been approved by the Minister of Agriculture.

A spokesman for the Department of Agriculture said the Dairy Board has asked for an increase in the price of milk and the request is still being considered by the National Marketing Council. He could not say what the increase would be.

The last increase in the producers' price was in June last year of between 3,2c/l and 3,5c/l.

# Milk price set to rise 3c

30/4/86  
3 DAILY  
THE Cabinet is expected to approve an increase of about three cents a litre in the producer price of fresh milk from the beginning of June, according to Pretoria sources.

The producers' last increase, granted in June last year, amounted to between 3,2c and 3,5c a litre.

Half a cent, however, was levied to help meet the costs of "surplus removal".

Industrial milk producers' last increase was in December last year — 4,3% or R1,42 for 100kg.

SA Agricultural Union (SAAU) national dairy committee deputy chairman Christie Burgers said yesterday that production costs in the industry had "gone through the roof".

There were few if any dairy farmers operating at a profit, he said.

GERALD REILLY

Many were registering big losses.

However, when the price was fixed cognisance had to be taken of the effect of an increase on consumption.

Agricultural economists agreed that the price of milk and milk products had reached a sensitive level where even a slight price increase could have a significant effect on consumption.

They said that when the new price was determined, the huge surplus of butter — estimated at between 6 000 and 8 000 tons — would have to be taken into account.

Recommendations on how to reduce the surplus, among them big price reductions, are now with the National Marketing Council.

BWD DAY  
19/5/86  
1986  
3 DAIRY

## Producer milk price rise seems imminent

GERALD REILLY

**AGRICULTURE** Minister Greyling Wentzel is expected to announce a producer milk price rise of between 3c-5c/l this week.

He is also expected to announce the strategy to get rid of the 5 000-ton butter surplus.

There are two options: either the surplus can be exported at a loss or disposed of locally at cut prices.

The Consumer Council's Lou van der Merwe said the only reasonable option was to give people the benefit and sell locally at reduced prices.

He said butter consumption was dropping and the sale of cheaper butter locally would also assist the Dairy Board in promoting sales.

The producer price of fresh milk was last raised in June — from 42,85c/l to 45,13c. However, the producer had to pay part of the increase into a levy to cushion export losses.

In February milk distributors raised their price to the consumer by 6c/l.

# Rise in milk price

Weekend Argus Reporter

THE price of full-cream and low-fat milk will rise by a cent and skim milk by 3c a litre in the Peninsula from Monday because dairies are raising their prices.

And poultry producers have warned that an egg price increase is inevitable.

A countrywide rise in the producer price of fresh milk is expected to be announced by the Minister of Agriculture, Mr Greyling Wentzel.

Speculation is that he will increase the producer price by about 3c a litre. Producers now

receive 45c a litre. The consumer pays about 83c.

At least one supermarket, Pick'n Pay, will absorb the increase for the time being.

Wage increases have been given as the reason for the dairies' increase.

The Boland Poultry Producers' Association said in a statement that it would have to increase the price of eggs soon. Higher maize and oilcake prices had pushed up the cost of production in the Western Cape by seven percent — about 10c a dozen.

3 Milk

*Butter DAY*  
*(3) DAILY 11/6/66*

# Butter bonanza in offing

GERALD REILLY

A BUTTER bonanza is expected to be announced by the Dairy Board later in the week.

It is almost certain to agree at its three-day meeting which started in Pretoria yesterday, to a cut-price campaign to reduce the big surplus.

General manager Iddie Roux says Agriculture Minister Greyling Wentzel has approved most of the recommendations made by the board to get rid of the surplus.

The 5 000-ton surplus represents about six months' supply at current demand levels.

The Consumer Council's Low van der Merwe says the board has two options: to export at a heavy loss or give local consumers the benefit of reduced prices.

MANDEL & BLONIE 70833

'4 000-ton mountain' exists, yet . . .

STAR. 200 30 DAIRY 20/6/86

# Stores run out of butter

By Jackie Unwin

Some supermarkets have run out of butter. In anticipation of a drop in the price of butter by the Dairy Board, some dropped their prices substantially — by over 90 cents for a 500 g block.

But the announcement of the expected decrease by the Board has not yet come through and supermarkets have in some cases run out of stock.

A Dairy Board spokesman said: "Nobody is holding the butter back. We have a surplus and want to dispose of it."

"The recommendations of the Board's Butter Committee on the disposal of the surplus are with the Minister. As soon as we come up with the solution we will announce it."

Mr Geoff Kahn of Pick 'n Pay said: "We have virtually run out in all our stores. We are waiting to hear what the Dairy Board is going to do."

"We heard rumours the Dairy Board would reduce the price and decided to go ahead of them and drop our prices."

"We have in fact advertised and cannot get sufficient stock until the Board finally makes a decision. The Dairy

Board is now standing back and watching."

Mr Clive Weil, managing director of Checkers, said: "We were told the prices were coming down and in anticipation decided to drop our prices."

"We believe a move down is inevitable."

"But I think it is regrettable we are selling the fresh butter at this low price and the problem with the butter mountain remains."

## Battle for supplies

"We are battling to get butter supplies right now — which is a disgrace considering the butter lying in stock is, we understand, 4 000 tons. This stock should be made available at a reduced price."

Mr Mervyn Kraitzick of OK Bazaars, said the store would hold butter prices down until further notice.

He said the run on butter had caught the suppliers by surprise and they did not have big stocks.

Angry consumers phoned *The Star* yesterday complaining they had combed many supermarkets in vain searching for the advertised inexpensive butter.

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BUS DAY  
(3) DAIRY

## Milk price set to go up July 1

THE PRODUCER prices of fresh and industrial milk would be increased from July 1, the Dairy Board said in Pretoria yesterday.

The board said distributors of fresh milk and industrial milk factories would pay 4c a litre or 9% more for milk, while producers would receive 3c a litre more.

The difference of 1c a litre would be levied by the board.

The board said that although consumer prices of fresh milk, cheese, milk powder and other dairy products were not determined by it, such prices were expected to go up as well.

It said producer prices had to be adjusted to prevent shortages of milk and dairy products in the near future.

It said: "Milk production is declining and the expected production this year will be 4% lower than last year." — Sapa.

LEG 7/19

Cape Times  
24/6/88

~~20/6/88~~  
3milk

# Milk goes up for 3rd time this year

Staff Reporter

THE consumer price of bottled, home-delivered milk from the Western Cape's largest dairy will increase by 6c a litre from July 1 — and it is likely that major retail stores will follow suit and increase the shelf-price of fresh milk.

The managing director of Dairybelle, Mr Maarten Henning, said the new milk price would be 84c a litre if coupons were bought from dairy agents and depots. Coupons bought from deliverymen would cost 86c.

The Dairy Board on Saturday announced a 4c a litre increase in the producer price (the price distributors pay) of fresh and industrial milk "to prevent shortages". It said distributors of milk and dairy products would prob-

ably have to increase their prices from July 1.

The producer price increase will result in the third increase in the shelf-price of milk in the Western Cape this year.

The general manager of Pick 'n Pay, Mr John Barry, said the company would hold the shelf-price until July 14.

A Checkers spokesman said it would spell out its position after talks with distributors today.

● Consumer and trade union organizations have expressed dismay at the increase.

The president of the Housewives' League, Mrs Lyn Morris, and the president of the Trade Union Council of South Africa, Mr R H Botha, warned against raising the price an essential foodstuff.



# Butter price slashed by R1,45 a kg

Pretoria Bureau **3** DAIRY **2014**

The wholesale price of butter has been slashed from today by R1,45 a kilogram.

The Dairy Board announced the drop in price in Pretoria today — from R5,45 a kg to R4 a kg, or R2 for 500 gms.

The price is reduced with immediate effect, although distribution limitations mean that the cheaper butter may not be immediately available in all stores.

The Dairy Board has said it will use its stabilisation fund to subsidise butter prices to the bene-

fit of the consumer. The major cause for the drop in the price was the tremendous decline in butter consumption.

At present about 13 000 tons of butter a year are consumed by South Africans. Before substitutes were introduced on to the market in 1971, about 54 000 tons of butter were consumed annually.

The board said it was not in favour of exporting butter and it hoped the cheaper butter would help it regain some lost momentum in the market.

The butter surplus was not the reason for the drop in price and the "butter working group" was considering ways of disposing of it.

CAG Times  
4/7/86  
3 Dairy

# Butter price drop passed on at once

JOHANNESBURG. — Supermarkets are to pass on immediately the decrease in the butter price announced by the Dairy Board yesterday.

OK Bazaars dropped its butter price by over 90 cents to R1,95 for a 500g block two weeks ago in anticipation and increased its butter sales "sixfold if not more" according to Mr Mervyn Kraitzick, marketing controller of the company's food group.

Mr Richard Cohen, director of Pick 'n Pay, said: "As far as we are concerned we will pass on totally whatever is being passed on to us.

## 'Good news'

"We are advertising butter today at R1,98 for 500g."

Mr Mike Dobson of Spar said: "It's very good news for the consumer and we will pass on at least the whole of that decrease and run it for as long as possible. Consumers will see the reduced price later today and tomorrow."

A spokesman for the Consumer Council said: "The council welcomes the decrease in the butter price."

The Dairy Board announced in Pretoria yesterday that the wholesale price of butter will be reduced with immediate effect by R1,45 a kg, bringing down the wholesale price from R5,45 a kg to R4,00 a kg or R2,00 for 500g.

Due to distribution limitations, sufficient

supplies, however, might not be available in all stores immediately, the board said in a statement.

The board will use funds from its stabilization fund to subsidize butter prices to the benefit of the consumer.

The price adjustment was introduced as the price of butter was mainly responsible for the tremendous decline in its consumption.

In view of the present economic climate, and because the board was not in favour of exporting butter, it had reviewed the price structure of dairy products sympathetically and decided to offer butter to the local consumer at a reduced price.

"This step will enable butter to regain its lost momentum in the market ..." said the board.

## Investigate

The price reduction was one of the recommendations of the Butter Working Group which was appointed by the board to investigate the marketing of butter.

Further recommendations regarding the disposal of the present small butter surplus — which is not affected by the promotion — are being considered.

Consumer prices are not controlled by the board but retailers will probably add only 5 percent to the wholesale price or may even lower the price further in their promotional campaigns.

# Butter price slashed to sell surplus

Pretoria Bureau

The price of butter has been slashed again and the last 2 000 tons of the Dairy Board's stockpile will be sold off from today at a discount of R2 a kilogram.

The price of a kilogram of this butter will be R3.45.

A spokeswoman for the Dairy Board said the butter was the last of an 8 000 ton surplus which has been sold at a cheaper price of R4 a kilogram.

She said because this butter was old stock, it was best used for cooking.

She said it would be available on most supermarket shelves from today.

Choice butter already released on to the market would still be sold for R4 a kilogram or R2 for 500 g.

The discount on the price of choice butter continues until the end of February next year.

22/11/76  
DAILY DISPATCH  
3 DAIRY

# Butter cuts: no consumer rush

Dispatch Reporter

EAST LONDON — Consumers here have generally shown little interest in reduced cooking butter prices in local stores following an announcement by the general manager of the Dairy Board, Mr E. du Roux.

The manager of a Beacon Bay wholesale supermarket, Mr T. Schroeder, said yesterday his store did not stock cooking butter.

"Even with the Dairy Board's announcement and competitors advertising yesterday, none of my staff have had any requests from our shoppers for the butter," Mr Shroeder said.

"Perhaps this is because very few people use butter regularly enough for purely cooking purposes."

The manager of a Vincent Park supermarket, Mr Rod Ricketts, said from a sales point of view his store had experienced a 20 to 25 per cent run on cooking butter compared with choice butter sales.

"The position is self-explanatory, I think. Buyers still prefer to pay slightly more for choice butter than pay less for the slightly older butter, marketed as cooking butter," he said.

The only large supermarket in East London to report increased sales of cooking butter was a city venture managed by Mr E. Lawrence.

"Our stock of cooking butter has proved popular with our shoppers, and our supply is moving fast," Mr Lawrence said.

The price cuts on cooking butter will remain for as long as stocks last.

**Sour notes** FIN M 29/8/86

Although milk consumption is on a downward curve and production is falling, prices are set to rise again next year. A small shortfall of about 1% is already being predicted for the end of 1987 by the dairy industry.

Dairy Board (DB) statistics show total milk production has fallen steadily from 1,803 Mt in the 1984-1985 season to 1,764 Mt in 1985-1986 and a projected 1,709 Mt in the 1986-1987 season. Meanwhile, consumption has dropped from 1,745 Mt in 1984-1985 to 1,708 Mt in 1985-1986. The projected total for next year is just 1,671 Mt.

To ensure production is maintained and to avoid imports, producer prices will have to go up again next year says DB GM Edu Roux.

The producer price was increased by 8,7% — or 4c/l — on July 1 and this was followed by higher consumer price increases countrywide.

"Producer prices should not rise by more than the inflation rate and increases will not exceed 13%-15%," Roux tells the *FM*.

Although industry turnover at the producer level increased from R472m in 1984 to R526m in 1985, total dairy industry turnover at consumer level, which includes fresh milk, cheese and other dairy products, increased only marginally from R1,029m to R1,049m over the same period.

Since the deregulation of consumer prices some years back, the DB has been responsible for only producer prices. Price to end-users is individually determined by distributors and traders. Pent-up cost increases led to

relatively sharp rises in consumer prices earlier this year, while producers had to be satisfied with the 4c/l hike in July.

Roux says producers are understandably unhappy. But he confirms no further producer price increases are in the pipeline for 1986. Recent price increases had no visible effect on consumption patterns, he adds.

Like the red meat industry, the DB built up substantial surpluses of powdered milk in the good years. But, responding to public pressure, it exported 11 700 t to the Far East last year. Some imports may thus be necessary if the shortfall becomes significant.

The two-year recession and the unrest have been blamed for the fall in demand, but now shortages can be expected — unless producers respond to price stimulation. ■

# Dairy farmers fear that new regulations will hit cost of milk production

Dairy and Milk

Weekend Post Reporter

(3)

ONLY weeks after a rise in the price of milk, farmers in the Eastern Cape are alarmed that new milking regulations may push up their costs if they are strictly applied.

The new regulations, introduced by the Department of National Health and Population Development, govern conditions in milking sheds and the transport of milk.

Farmers have criticised them as "vague" and "dangerously ambiguous", according to the chairman of the East Cape Milk Commodity Committee, Mr Paul Howarth. They feel that if they are applied "to the letter of the law", they could lead to possible further withdrawals from the dairy industry by already hard-pressed farmers.

But a spokesman for the department said yesterday that an "interpretation" of the regulations was being prepared. Farmers should not fear the implementation of the regulations which were as they were aimed at helping dairy farmers.

He conceded that some clauses could be "misinterpreted", but added that an interpretation which should allay farmers' fears should be ready by the end of the year.

The Milk Commodity Committee met 42 health inspectors and officials in Grahamstown last week to try to gain clarity on the regulations.

Farmers feel that as the regulations have been gazetted they can be enforced, laying them open to unnecessary expense in difficult economic times.

All farmers have to apply for a certificate of acceptability for their milking sheds within 24 months. Provisional certificates can be granted but no time limits are set and farmers feel that too much is left to the discretion of health inspectors. Applications for new milking sheds have also to be approved.

Many clauses were criticised, including one which provides that every cow should be examined and reported on by a veterinary surgeon once every two years.

Farmers who send milk to the United Dairies Co-operative in Port Elizabeth receive about 44c a litre for their milk. On this they pay a levy of 4,113c for the Milk Board's stabilisation fund which subsidises surpluses.

The recent increase to consumers of 4c a litre brings the retail delivered price up to 82c a litre and the supermarket carton price to 98c.

1/12/82  
Milk  
Dairy

## Milk price up 4c a litre

**Mercury Reporter**  
THE price of milk in Durban has risen by about 4c a litre.

A spokesman for Creamline Dairies said although the increase came into effect yesterday it would not be uniformly effective across Natal for three or four weeks.

'On our price list it has

gone up from 88,5c/l to 92,5c/l.

'But depending on the retail outlet it could vary from 75c to more than R1.'

The spokesman said the price of home-delivered milk would not increase.

Clover Dairies has upped its price of home-delivered milk by 4c to 93c and it has also adjusted its basic wholesale price.

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AGRICULTURE - DAIRY & MILK

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MINISTER of Agriculture Greyling Wentzel has threatened to re-impose control on consumer milk prices if unjustified increases are imposed by distributors.

# Wentzel warning if milk price rockets

In a statement on Friday, after the announcement of a 4.5c/l increase in fresh and industrial milk producer prices, Wentzel said if it appeared distributors were making excessive profit, he reserved the right to reinstitute control.

He has instructed his department to watch the position in close co-operation

GERALD REILLY

with the Dairy Board and to inform him of any unjustified price hikes. Wentzel said because of cost increases in the distributive trade the consumer

③ Dairy Milk B Day  
● To Page 2 12/187

## Milk distributors warned on price

price could rise more than the 4.5c/l producer price rise. He claimed a growing degree of competition was developing in the distributive trade which should keep consumer prices within bounds.

Wentzel added that a portion of the stabilisation fund levy at present paid by producers would now be recovered from

distributors.  
← ● From Page 1  
The consumer council has condemned the increase in the milk price. Council director Jan Cronje said free enterprise should be allowed full play in the milk market.

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12/187  
3  
Dairy Milk

Plenty

3 MWLX  
10/3/67

## of milk in E Cape

Post Reporter

THE Eastern Cape is unlikely to be affected by a predicted "critical" shortage of milk later this year.

Dr M N Hermann, general manager of National Co-operative Dairies in Johannesburg, warned yesterday that a shortage already being experienced in the dairy industry was expected to "take on critical dimensions".

However, the general manager of United Dairies in Port Elizabeth, Mr F Botha, said today there was "plenty" of milk to meet the demand in the Eastern Cape.

While confirming that other regions were experiencing a shortage, Mr Botha said the coastal belt in particular was a more natural milk producing area than inland regions.

# Fresh milk shortage <sup>(3)</sup> could become critical

By Dan Side

10/3/87

The current fresh milk shortage is expected to "take on critical dimensions before the end of the year", claims Dr. M.N. Hermann, general manager of National Co-operative Dairies Ltd (NCD).

Dr Hermann, in the in-house magazine *NCD Forum*, said a number of inhibiting factors were to blame, but "increasing black urbanisation created an ever-growing need for milk which nothing could stop".

He criticised, as not in the interest of consumers, the number of smaller milk distributors which had recently entered the market. He said it was contrary to the worldwide trend of bigger milk factories — the result of cost factors and technological development.

A spokesman for the Dairy Board in Pretoria confirmed the industry's fears of a worsening shortage of fresh milk.

She said the recent increase in the producer price was to ensure continuing supplies.

The recent good rains had forced some part-time producers to concentrate on their

fields. Better prices were intended as an incentive to keep their dairies in operation.

She said it was difficult to predict what would eventually happen, because experience had shown that a shortage could be completely turned round into a surplus situation.

Whatever the outcome, producer price increases were normally restricted to one a year. In the event of a severe shortage, the importation of milk powder would be considered before further price rises, she said.

Speaking for Consumer Council in Pretoria, Mr Paul Roos said nothing could be done to combat a possible shortage, but he disagreed with Dr. Hermann's suggestion that an increasing number of smaller distributors augured ill for the industry.

"The Consumer Council welcomes competition in the marketplace," he said. "In the past there have been cases of milk distributors colluding to fix prices and demarcating areas of operation — both of which are contrary to the principles of the free market system."

# Butter price to rise

(3 Dairy)

Pretoria Bureau



The wholesale price of butter is to increase by 30c a kg from May 1, the Dairy Board announced today.

The 7,5 percent price hike, caused by a cut in the Dairy Board's subsidy, will take the wholesale price of butter to R2,15 for 500 g.

A spokesman for the Dairy Board today said the subsidy had been cut from R1,45 a kg implemented when the board dropped the wholesale price in July last year to R1,17.

"The board cannot carry the cost all the time."

# Butter price to rise <sup>SM</sup>

(3 Dairy)

Pretoria Bureau

(24/4/78)

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"The board cannot carry the cost all the time."

# Butter price set to go up by 30c on May 1

JOHANNESBURG — The latest shock for consumers is that the price of butter is to rise by 30c a kilogram.

The Dairy Board has announced it will reduce its subsidy on choice butter from May 1. To

gether with a small increase in the wholesale price, this will result in the 30c increase, from R4 to R4,30 a kilogram.

The board secretary, Mr J C Erasmus, said the butter surplus had been sold.

~~24/4/87~~

24/4/87 CP

3-Dairy

# Clover strikers tell their story

CYPRIAN SIKHAKHANE doesn't really like pretending to be the man who fired him. Sikhakhane, a Food and Allied Workers' Union shop steward and a worker at Clover Dairy for the past 15 years, says: "I'm not pleased at playing the role of an oppressor, but it is a way of putting a message across and I do it."

He and 165 other workers were fired from Clover in Pietermaritzburg after they struck in protest against the dismissal of their union chairman. Eight of them volunteered to put together *The Clover Workers Story*, a 45-minute play, to tell people about this and other incidents in their factory.

"I thought this play would be like another pamphlet for our struggle," says Gertrude Zuma. "As a worker at Clover, I am interested in getting our jobs back."

"It was very difficult," she recalls. "None of us have ever been in a play before. Many have

never been to see one." (3-D Army)

"This is a story of things that really happened to these workers," says Mi Hlatshwayo, Cosatu cultural co-ordinator. "As such, one person couldn't just sit down and write it."

Shop stewards suggested an outline for the play, and the worker-actors then workshopped each scene, in no particular order, for four weeks.

"We didn't put people into parts, but tried each scene with different actors, until somebody got it right," says Hlatshwayo.

The scenes were then woven together into a whole which, however, keeps getting unpicked.

"Workers from Clover branches and other factories would tell us to put other things in," says Hlatshwayo. "If you come and see it next month, you will see how much it has changed."

By JOHN PERLMAN

Mail

in court

# Shortages: Milk powder imported

Own Correspondent  
3 milk  
Drought

JOHANNESBURG. — Milk manufacturers have had to import thousands of tons of milk powder over the past four months because of shortages in milk supplies.

The Dairy Board has issued permits for the importation of 3 000 tons and anticipates that a further 3 000 tons will have to be imported this year if no corrective action is taken to stimulate production.

The board expects a shortage

of 11% for the year ending February 1988 against last year when SA was exporting huge surpluses of milk powder.

Mr Edwin Conroy, head of the board's industrial milk administration, says the imports are not likely to result in an increase in the local price of milk powder and its derivative products because the cost of importing it is about the same as the cost of locally producing it.

However, the price of milk is likely to rise on account of the decline in milk production

which, Mr Conroy said, has been brought about by the break in the drought.

Dairy farming had become less important to maize farmers who relied on revenue from milk during the hard times to supplement their incomes, and high meat prices had attracted cattle farmers away from milk production.

Also, marginal dairy farmers who could not afford to meet the stringent requirements for milking parlours laid down by the Department of Health had withdrawn from milk production.



③ MILK SPAE 13/5/87

# Milk sales are to go on the open market

By Claire Robertson, Pretoria Bureau

The milk industry in South Africa is to undergo far-reaching changes this year as the sale of milk enters the open market.

In a planned deregulation of the industry, which reflects the Government's attitude that farming must become profitable, the Dairy Board is to launch a new system in the second half of this year whereby all dairy farmers may sell their product directly to industry without the statutory middleman.

The system will be popularised with a "milk is milk" programme, in which the distinction between fresh and industrial milk is done away with.

Under the old system, some dairy farmers sold "fresh" milk — destined to reach the consumer unprocessed except for pasteurisation — through the Dairy Board, from whom they received a cheque.

"Industrial" milk was sold in bulk by farmers

to the industry, which used it in the manufacture of dairy products such as cheese and butter.

When the new system is introduced, most farmers will sell their milk directly to the highest bidder, or to the buyer who offers the best package of transport costs and price.

The dairy products industry will thus have to compete for the available milk. It is hoped the new system will encourage more farmers to take up dairy farming.

The deregulation of the milk industry has not found favour with all farmers, and it is to be expected that a few will still look to the Dairy Board to act as agents for milk sales.

Some of the board's levies now paid by farmers will be paid by the industry, which is willing to accept this responsibility in exchange for the unfettering of the industry.

The Government has indicated that should the industry abuse the planned concessions, controls will be brought back.

Milk farmers harvest a bonanza

# Prices rise as buyers rush in

*13/5/87 Dairy Milk to B/Dairy*

MILK shortages and the deregulation of the milk industry is proving a bonanza for dairy farmers.

Prices to farmers have risen by about 10% since the 10% increase in February, when the Dairy Board gazetted the minimum floor price for the industry.

While large milk purchasers, such as National Co-operative Dairies (NCD) and Imperial Cold Storage (ICS), have so far absorbed these extra costs, they say they will eventually have to pass them on to the consumer.

ICS MD Owen Dinsdale says a 10% price increase for milk and related products is likely about June or July, and NCD's GM Martinus Hermann says NCD will have to increase prices, as it cannot absorb the increases indefinitely.

Abolition of fixed prices and of the Dairy Board's monopoly of

LINDA ENSOR

milk purchasing means farmers can sell their milk to the highest bidder. Under current conditions they are calling the tune.

"There is a big scramble to sign on as many farmers as possible, and this has pushed up prices up," says Dinsdale.

"Competition is especially stiff with the co-operatives, which have long wished to be a single channel for milk marketing. They have been trying to collar all the milk supplies, which they then sell to us as a dairy. But obviously, as they are competitors of ours, we are not particularly comfortable with the situation."

NCD's GM Martinus Hermann agrees that competition is stiff, especially as those companies which did not make adequate prior arrangements for the change-over are trying to buy their way in with high prices.

BLOEMFONTEIN — Judgment has been reserved by the Appeal Court in Bloemfontein in the appeal by Boland Bank Ltd against the refusal of the Cape Supreme Court to grant it a declaratory order as to the ownership of certain of its shares.

The respondents were Picfoods Ltd, New Bernica Ltd, Volkskas Group Ltd, Volkskas Pension Fund, Rembrandt Group Ltd, Financial Securities Ltd and New Bernica Securities Ltd.

The bank had sought the declaratory order to ascertain the beneficial holder of 654 500 shares registered in the name of Picfoods Ltd. The order was refused by Mr Justice Vivier on November 20, 1985.

The bank submitted that it was prohibited in terms of the Bank Act from registering

## Judgment reserved for bank

shares in the name of a nominee, except in specified instances, none of which applied to the present case.

It submitted that without information as to the beneficial owner of the shares it could not supply accurate information to the Registrar to give a true picture of the interests held by the various shareholders, nor determine whether any shareholder had reached the maximum shareholding allowed by the Act. — Sapa.

## R56m in loans for Ciskei

BISHO — Loan agreements to the value of more than R56m for urban and rural development projects were signed here yesterday by the Ciskei government and the Development Bank of Southern Africa (DBSA).

Ciskei president Lennox Sebe said the total cost of the 12 projects was R69,4m. Of this amount the loan and guarantee portion was R56,3m or 81% of the total costs of the projects.

Own Correspondent

He said projects already underway with loan finance having been approved with the DBSA, totalled R397m, with a loan involvement of R192m.

"In addition, there are still a number of other projects which are in various stages, details of which will be made known as and when they are finally concluded," Sebe said.

electronic group holdings limited

Dairy +  
3 MILK

DD 14/5/87

# Milk production to be deregulated for farms

## Dispatch Reporter

EAST LONDON — The South African dairy industry is being transformed into a more market related and deregulated sector of agriculture, according to an agricultural economist, Mr Tommy Thomson.

The existence of the scheme was confirmed by a spokesman for the South African Agricultural Union (SAAU) who said the scheme was in the hands of the Minister of Agriculture, awaiting the final stamp of approval.

Mr Thomson said yesterday the Dairy Board had started a scheme called "milk is milk" in which all dairy producers over the next three to five years have to have similar facilities acceptable to the Department of Health.

He said what it meant was that all producers would be considered as

commercial dairy farmers and that the old system, where one had industrial and fresh milk farmers, would fall away.

In the old system, fresh milk producers had to produce in health controlled facilities but industrial producers wherever they wished.

This meant that milk of an equal standard, acceptable to the Department of Health, would be produced throughout the country and could be moved from one area to another.

"This means that milk buyers can buy milk from any part of the country knowing that the standard is acceptable," he said.

According to Mr Thomson, while there would no longer be any differentiation between a fresh milk producer and an industrial milk producer, different prices would still be

paid to the producer depending on the use of the milk.

He said the Dairy Board would in future lay down a minimum price for milk which is likely to be very much lower to the producer.

"This 'floor price' will be well below the price paid for milk in the market so this will be a minimum price guarantee for the producer. In the event of a surplus the price of milk is unlikely to drop below that minimum level," he said.

But it will be low enough to discourage speculators from entering and unsettling the market when prices for milk were high.

Mr Thomson said the importance of the function of the Dairy Board would be very much reduced from what it was in the past.

The only part the Board would play would

be in establishing a minimum price, monitoring of health and quality standards, the collection of levies to subsidise certain products like health schemes, exports and imports.

The other positive aspect of the scheme was that there would be a levelling of surpluses and shortages.

"The actual system of pools and laying down of maximum prices for dairy products is on its way out," he said.

Pools would be operated, however, for producers that wanted them to do so. But these would disappear over the next five years. Asked whether he thought the price of milk to the consumer would come down, Mr Thomson said it was difficult to predict, but in times of surplus this could very well be so.

Mr Thomson said the

move appeared to reflect the decision by the government and organised agriculture to move towards deregulation and privatisation. He said as early as 1983, the Minister of Agriculture, Mr Greyling Wentzel, had called for an investigation into the possibilities of privatisation and deregulation and the dairy industry to be examined was the Dairy Board. The report, produced about two years ago, showed there was a lot of room for deregulation.

The general manager of the Dairy Board, Mr E. Roux, could not be contacted for comment yesterday.

However a spokesman for the SAAU, Mr Tiny Liebenberg, confirmed that the scheme was already being put into operation though some "grey areas" were awaiting final approval by the Minister of Agriculture.

# New dairy system: whither the price?

Deregulation of the dairy industry and the current milk shortage could lead to some price increases, Mr Edu Roux, general manager of the Dairy Board, said yesterday. However, the board had no plans to increase the price of milk.

A free-market system would be in operation officially in September, but it was already operating widely and many dairies were sourcing their own milk supplies for the first time.

"Transport of milk from the farm — an area where the board previously played a role by diverting supplies — is a problem for many small dairies as they cannot afford the cost of milk tankers," said Mr Roux.

## SHOP ROUND FOR BEST PRICES

He added that if a small dairy found it could not buy supplies directly from a farmer, but had to get them through a large dairy, their prices could be higher.

"It is vital that consumers shop round for the best milk prices," he said.

Mr Roux added that the introduction of the free-market system in the industry meant all participants had to learn to be more resourceful.

"It is the 'bird-in-the-cage' syndrome. Small dairies may not be able to handle the new situation. If a bigger dairy is able to guarantee its supplies by paying a farmer more, it will do so, but small dairies are sometimes also able to pay a few farmers more and thus guarantee supplies."

Mr Roux said he believed the free-market system — introduced when the board set a minimum, rather than actual, milk price in January — had many problems but was still the right direction to follow.

9/6/57 DO

# SA facing chronic milk shortage

(3 MILK) + Dairy

**PRETORIA** — South Africa has run into a chronic milk shortage which is unlikely to be reversed in the short term.

However, there is no fresh milk crisis, the manager of the Dairy Board, Mr Edu Roux, said yesterday.

Fresh milk would continue to be available in adequate quantities for home delivery. The shortage affected mainly supplies of industrial milk.

Overall milk production is running about 10 per cent behind demand and there is no quick solution to the problem, which developed over a number of years.

Mr Roux said a major reason for this was that farmers had not been given sufficient price stimulus to raise production levels to keep pace with demand and many had left the industry.

Another factor was that grain and beef farmers, who had turned to milk production in an effort to boost cash flows during the drought, were no longer concentrating on milk production as the need to supplement their incomes was not as pressing after the good summer rains.

Meanwhile, the new R400-million debt settlement package for farmers, which was announced in last week's Budget, is expected to attract hundreds of applications.

See also page 5

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repeatedly short. The motor industry is the classic example.  
The motor industry is the classic example.  
The motor industry is the classic example.

# Price of eggs and milk goes up today

The price of two basic foods — milk and eggs — goes up today.

Bottled fresh milk goes up to R1,04 a litre because of the national milk shortage. Eggs go up by between 10 c and 12 c a dozen.

The general manager of the Dairy Board, Mr Edu Roux, said consumers would still be able to buy a litre of milk for less if they shopped around.

"The Dairy Board no longer controls the price of milk, apart from setting a minimum price the farmer must be paid by distributors. That we set at 50 c a litre in February." He said some supermarkets were selling milk last week at 79 c a litre.

Milk sold at dairies in plastic sachets will go up from 85 c to 96 c today.

A spokesman for the Poultry Association said the increase in the price of eggs by between 6,5 and 7,5 percent was necessary to cover poultry farmers' escalating costs.

	White	Coloured	Indian	Black
<b>Kwa-Thema</b> .....	36 686	27 119	47 674	
<b>Tokozwa</b> .....	21 668	11 282	30 219	
<b>Tembeisa</b> .....	71 675	47 857	40 255	
<b>Tsakane</b> .....	15 289	17 143	33 123	
<b>Duduzwa</b> .....	9 706	7 642	15 157	
<b>West Rand</b>				
Soweto.....	185 820	190 060	163 802	
Dobsonville.....	21 784	18 481	36 350	
Diepsmeadow.....	87 843	83 212	41 435	
Alexandra.....	29 215	33 642	20 323	
Kagiso.....	15 300	23 400	38 280	
Mohlakeng.....	16 200	16 478	21 083	
<b>Northern Cape</b>				
Galeshewe.....	19 905	22 783	40 378	
Nonzwakazi.....	2 460	2 666	4 850	
<b>Western Transvaal</b>				
Jouberton.....	12 300	13 500	25 800	
Kageng.....	11 993	11 678	19 827	

**Eastern Cape**

Ibaya.....	71 469	83 077	138 843
Rini.....	11 131	12 861	26 560
Paballelo.....	3 424	1 710	11 306
Worcester.....	35 190	44 022	25 992
Lingelthe.....	3 270	3 996	8 734

**Legal training**

202. Mr D J DALLING asked the Minister of Justice:

How many (a) White, (b) Coloured, (c) Indian and (d) Black persons (i) attended and (ii) successfully completed courses in (aa) functional and (bb) legal training provided by the legal training branch of his Department in 1986?

**THE MINISTER OF JUSTICE:**

	White	Coloured	Indian	Black
(aa) (i)	966	2	5	163
(ii)	966	2	5	163
(bb) (i)	240	6	—	3
(ii)	140	2	—	1

In respect of (bb) (ii) I may add that if a student was unsuccessful in only one examination paper, it is deemed that he has not completed the course successfully.

**Magistrates/prosecutors**

203. Mr D J DALLING asked the Minister of Justice:

- (a) How many (i) White, (ii) Coloured, (iii) Indian and (iv) Black persons were employed by his Department as (aa) regional court magistrates, (bb) magistrates and (cc) prosecutors as at the latest specified date for which information is available and (b) in which magisterial areas was each of the above categories of posts filled by (i) Coloured, (ii) Indian and (iii) Black personnel as at that date?

**THE MINISTER OF JUSTICE:**

As on 31 May 1987:

- (aa) Regional Magistrate:
- (a) (i) 140.
- (ii) 0.

- (b) (i) Malmesbury  
The Cape (Cape Town)

- (iii) 0
- (iv) 0
- (b) (i), (ii) and (iii) Fall away.
- (bb) Magistrates:
- (a) (i) 828.
- (ii) 0.
- (iii) 15
- (iv) 0
- (b) (i) and (iii) Fall away.

- (ii) Chatsworth.  
Inanda (Verulam)  
Lower Tugela (Stanger)  
Durban
- (cc) State Prosecutor:
- (a) (i) 920.
- (ii) 49.
- (iii) 39
- (iv) 11

*Handwritten: 26/6/87*

- (1) Whether he will furnish information on applications for loans received by the Small Business Development Corporation: if not, why not; if so,
- (2) whether the Corporation has received any applications for loans to finance the mining of kaolin in the Fish Hoek or Noordhoek Valley area: if so, what are the names of the persons or companies that applied;
- (3) whether any of these applications were granted: if so, (a) what are the names of the persons or companies that were granted these loans, (b) what was the amount of each loan, (c) on what date was each loan granted and (d) in respect of what specified kaolin deposit was each successful application made?

**THE MINISTER OF ECONOMIC AFFAIRS AND TECHNOLOGY:**

- (1) No. Although the Small Business Development Corporation is a public company and particulars pertaining to the operation and finances of the Corporation as such are available to the public and are, in fact, published in the Corporation's Annual Report which is also tabled in Parliament, individual applications for loans received by the Corporation are internal matters the divulgement of which could jeopardise the applicants concerned.
- (2) and (3) Fall away.

**Dairy Board**

206. Mr D J N MALCOMMESS asked the Minister of Agriculture:

- (a) What were the fixed assets of the Dairy Board as at 28 February 1986 and (b) which of these assets had an original value of R50 000 or more?

**THE MINISTER OF AGRICULTURE:**

- (a) Head Office building, Arcadia, Pretoria; office building, Bellville and two old renovated dwellings used as offices at Bloemfontein and Pietermaritzburg.

Whether any dairy products were imported into the Republic in 1986; if so, (a) what products and (b) (i) in what quantity, and (ii) at what cost, in each case?

**THE MINISTER OF AGRICULTURE:**

- Yes.
- (a) Only exotic cheese which is either not manufactured at all or manufactured in insufficient quantities in the RSA.
- (b) (i) 869 tons; and

212. Mr R R HULLEY asked the Minister of Economic Affairs and Technology:

**Fish Hoek/Noordhoek Valley: kaolin**

- (ii) unknown, since the cheese was imported by private importers.

*Handwritten: 26/6/87*

3 M.1/C

# Cheaper milk: Big Four dairies to wait and see

**Staff Reporter**

PENINSULA milk producers are adopting a "wait and see" attitude towards the price war promised by new competitors, Homestead Independent Dairy.

The new dairy was publicly launched yesterday with promises of a competitive price policy in a free market.

Mr Jan Kotze, general manager of Dairybelle in the Western Cape, said his company was not really worried by the emergence of Homestead.

"We are a big company, have been established for a long time and have survived competition in the past," he said.

"If they come into the market at a significantly lower price than us we might have to react. But I honestly believe that a steep drop in prices is not really possible and would be to the detriment of the industry."

## "HERE TO STAY"

"We know at what prices you must operate to survive and are not going to act on every threat."

"We are here to stay and don't do things on the spur of the moment."

"Also, we don't serve just the high-volume outlets, but consumers such as hospitals and old people to whom we deliver."

The general manager of another large producer, Mr L S du Plessis of Kaap-Suiwel (formerly Van Riebeeck), said there was always room for another producer.

"We will wait and see what happens, but cannot do anything until they are on the market," he said.

"It is a free world and everyone can do what they want."

## "HARASSMENT"

The four Western Cape dairy farmers behind the new dairy claim they have been harassed and threatened following their breakaway from the "Big Four" Dairybelle, Kaap-Suiwel, Union Dairies and Joyce's Dairy.

They are Mr J P Meick, Mr Chris Starcke, Mr Andrew Mellow and Mr Pieter Nelson, who farm in Durbanville, Milnerton and Malmesbury. Their partners are three former executives from Kaap-Suiwel.

Mr Jacobs said that Homestead milk would be cheaper than other milk but declined to give the price.

The company expects to distribute almost 10 percent of the daily dairy product requirements of the Peninsula. It intends to process 40 000 litres a day from a new plant in Parow Industria.



Cape Times 24/7/84

# Dairy names quality, low prices as chief goals

3 Mills

By JANE ARBOUS

THE new Homestead Independent Dairy launched in the Western Cape yesterday is geared for growth, "but a limited one", Homestead MD John Jacobs said yesterday.

The dairy is the first real break in the milk producer stranglehold in the past 20 years in the area.

"We believe there is room for an independent dairy in the market. We're looking for a share of the market to make us a viable proposition but we don't want to be the biggest, although we are sure we will attract more milk farmers as suppliers.

"We don't have the depth of products of the opposition but we believe we have a range which will appeal to the consumer."

The venture was internally financed by four of the Cape's 120 fresh milk farmers, and three former Van Riebeeck executives.

Jacobs said the dairy would be able to undercut the opposition because operations had been streamlined and it would not have the same overheads which the existing four producers had accumulated over the years.

If trading goes as expected, the outlay would be recouped within three years, he said.

On the new plant at Parow Industria, production director Geoff Venter added: "We were lucky to acquire a suitable factory, office and storage area without any structural constraints."

The new plant at Parow Industria — a production area of 1 500 m<sup>2</sup> with plenty of room of expansion on a 5 000 m<sup>2</sup> site — cost several million rand.

Much of the production equipment which must conform to the highest health standards, was imported from Germany.

Nearly 40 000 litres of milk will be processed a day.

Another executive who put his personal capital into the venture is financial director Archie Jackson.

"I believe competition will result in better prices and quality," he said.

"In the food industry especially one which provides a basic food product such as milk, there seems to be little conscience either locally or nationally as far as prices are concerned.

"We are not selling jewellery, motor cars or household appliances where the consumer can choose not to buy.

"We are selling milk at the lowest possible price. A price fair to us, the producer, the retailer, and the consumer. The food inflation spiral must be stopped. That's our mission."



John Jacobs



Archie Jackson



Geoff Venter

# Milk price set to fall

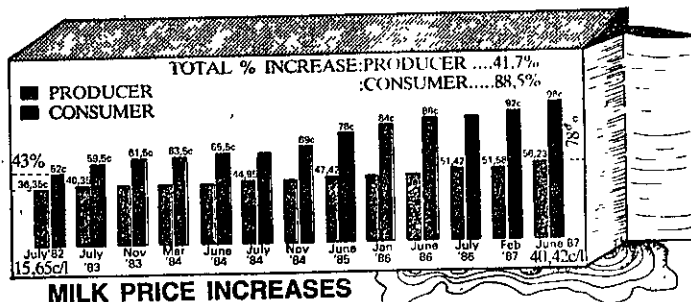
CAPE Times  
24/7/87

3 Milk

**By JANE ARBOUS**  
**AMID** threats of legal action and allegations of intimidation, a group of seven local milk farmers and former executives of the big producers yesterday broke the Western Cape's dairy stranglehold to form the Homestead Independent Dairy.

This is good news for consumers, who will have more product choice at lower prices. Managing director Mr John Jacobs, who declined to give any more details of marketing strategy at this stage because of security, said at a press conference yesterday: "We have been working to maintain our suppliers' anonymity because of the attempts to block our entry into the market."

The new venture is the first real chink in the local processing-distribution monopoly which has quartered the Peninsula into one-brand areas for



**PRICE RISES . . .** The graph, of milk-price increases over the past few years, shows the disparity between payments to farmers (green) and the price paid by consumers (red).

the past 20 years and held consumers to ransom with restricted choices and repeated price rises totalling 88,5% in the past five years.

Over the same period, farmers received only 41,9% more for their milk — in real terms, 10 cents a litre less than five years ago.

In July 1982 the difference between the consumer and producer price was 43%. In February this year the difference rose to 78%.

The group also believes that the consumer price rises — up to three a year — have led to an alarming drop in milk con-

sumption in the Peninsula.

One of the farmers, Homestead chairman Mr J P Melck, said: "For us farmers, this is one of the biggest days in our lives. We're going to turn the bad image of milk marketing into a royal one. We want to make the consumer our best partner."

On the allegations of harassment, Mr Jacobs said that though the response from retailers had been "quite phenomenal", some of the suppliers were being pressurized not to enter into any agreements with Homestead.

Security had to be increased

week by week, particularly to safeguard the farmers who would have suffered severe financial losses if the established milk buyers closed their doors, as Mr Jacobs alleged they threatened to do after news of the new company leaked.

Describing the reports of intimidation as "nonsense", Mr Louis du Plessis, chief general manager for Kaap Suivel — known commercially as Bonita (formerly Van Riebeeck), told the Cape Times that he believed the market was big enough for an independent.

However, he confirmed that there was a possibility of legal action against the farmers in terms of the supply agreement he said they had with the co-operative.

The move was welcomed by the Housewives' League and the Consumer Council, which have been concerned about the lack of competition.

The new products — to hit cafe and supermarket shelves by mid-August — range from several types of milk to cheeses, fruit juices and a variety of yoghurts.

□ Dairy's aims are quality, low cost, see page 4

# Milk: A

# challenge to cartels

*The Homestead Independent Dairy's bold bid to break into the tightly-controlled Peninsula dairy industry was a cloak and dagger operation. Although it was launched successfully this week, the dangers are not over, JANE ARBOUS reports.*

IF the long-established dairy producers in the Peninsula use predictable market mechanisms to protect their turf, then Homestead is happy to fight it out.

"But they must not be allowed to use easy loan money — public money — to wage an extended price war", says Homestead MD John Jacobs.

Jacobs, who resigned from Van Riebeeck Dairies (now part of Kaap Suivel) in April, says the threats to sink Homestead are real and "vicious" — he believes that a R10m loan from the Land Bank could be used.

"If they are to retain any credibility in the eyes of the consumer who has been told for years that the frequent price increases are justified as necessary for the producers' survival, then one would assume they haven't got millions lying around to use on such a campaign.

"All they can do, and must do, is look at themselves — reduce their inefficiencies and overheads, and make them-

selves more productive and more market-orientated.

"If there is any sincerity at all in big business and government's pronouncements that new jobs and small enterprises must be encouraged, now is the time for that to be seen."

Jacobs believes he has a viable venture in a market that can accommodate a small independent. Even Van Riebeeck admitted publicly this week that there was room for a smaller processor.

The four big dairies say they will wait and see before adopting countermeasures, but have left no doubt that if Homestead's under-cutting hurts, they will react.

"We're fighting for our future and the survival of a free dairy industry. They won't keep us down. For too long there has been no competition, no innovation, no excitement or progress," says Jacobs.

To page 17

# Milk <sup>CAPE TIMES 25/7/87</sup> a timely challenge to cartels

From page 15

"Homestead can afford to pay farmers more for their milk, charge less for their products, pay higher wages than the opposition, . . . and still take home a decent profit".

Imagine, he says, what kind of money the big producers are making when they are paying farmers less, employees less and charging consumers more. "And they claim they have to eke out an existence".

"We're asking the small retail traders, the institutional buyers, the large supermarket chains, and most importantly, housewives, to be the final judge and determine where they are going to place their support."

Pick 'n Pay have already promised them equal facing on the shelves.

Jacobs and the six other men behind the Homestead have more than milk in common — they are tired of farmers being paid a pittance, and claim that the enormous vested interests have led to unrestrained consumer price increases, delivery restrictions, tendering collusion, and lack of product choice — all

giving the dairy industry a bad image.

Jacobs comments: "The existing dairies have not had anyone challenging their comfortable arrangements like this in the past 20 years."

More than half the country's fresh milk producers have left the industry over the past 18 months, culling their herds on a huge scale to capitalize on high beef prices and improve cash flow.

This has led to a national milk shortage and South Africa is importing milk powder, normally manufactured with surplus milk, and fresh cheese.

And although the Dairy Board no longer controls the price and buyers of milk, the group say it's too late.

Jacobs, formerly in insurance underwriting and marketing, first thought of branching out about two years ago when he and Geoff Venter were approached by the newly-formed Akbar dairy.

They did not have the technical and management expertise and were up against the vested interests in the dairy.

"After I investigated its financial position, I decided it would

have been foolhardy for us to get involved with them."

Within a month, the existing dairies paid R2,2 m to close them down — far more than Akbar was worth, he said "but then no investigation was done".

Jacobs realized where Akbar had gone wrong and then set about privately investigating the feasibility of an independent dairy in Cape Town.

"It became almost a pet subject. Venter and I realized that we had two legs of what is essentially a three-legged operation — we had marketing and technical expertise, but needed financial expertise. So we approached Archie Jackson, then financial manager at Van Riebeeck, and he was immediately supportive of the idea.

The three then started negotiations with four dairy farmers.

"We laid our cards on the table and I think our sincerity and motivation was strong enough to spark their interest."

"It's been quite sad. Normally with a venture of this magnitude one should be allowed to apply all one's energies into structuring the business and ensuring its success. Much of our energies and a considerable amount of

money had to be wasted on a cloak and dagger operation, with midnight meetings out of town."

A lighter side to it was the various disguises used by the men when they had to meet at the Parow factory site — within spitting distance of Van Riebeeck.

Jacobs says: "I knew what the response would be to a break-away. And our suspicions were well-founded because it's been vicious fight. The main threats have been to the farmers involved with us, that their milk would be left to rot — they never knew for sure who 'they' were though."

It was only last weekend that a secure interim market at Ladismith was found for the four Homestead milk suppliers until production started. The farmers are well-known and are among the biggest local milk producers.

"Somewhere in all this burns a very strong entrepreneurial flame. I've always aimed towards being involved in my own business at some stage and that belief is shared by my two colleagues and the four farmers.

"What has been very heartening is the number of good people from Van Riebeeck who, without inducement, have joined us."

CAPE TIMES 25/7/87  
3 MILK

CAPE TIMES 25/7/87  
3 MILK

Cape Times 25/1/87

# Appeal to Cape dairies on fight

Staff Reporter

THE executive director of the South African Dairy Foundation made an appeal last night to Cape Town's existing dairy processors and the newly formed Homestead Independent Dairy not to fight issues on the basis of personality clashes.

Responding to yesterday's Cape Times report of threats of legal action and allegations of intimidation surrounding the formation of Homestead, Mr Marius Kritzinger — who welcomed the new development — said from Pretoria: "If we are talking free enterprise, the proof of the pudding is in the eating."

At Thursday's press conference announcing the formation of the new dairy managing director Mr John Jacobs said the names of suppliers were not being released because of attempts to block the new dairy's entry into the market.

Mr Kritzinger said he hoped Homestead would service the home delivery market and the coloured and black markets.

□ Milk: Challenge to cartels, page 15

NR645 29/7/87

3 m. 1/4

# Milk at 88c from cartel-busting independent dairy

Staff Reporter

THE cartel-busting independent Homestead Dairy will offer milk at 88c a litre — a 10 percent cut on the ruling price — for its launch on Western Cape supermarket shelves tomorrow.

Pick 'n Pay has exclusive local supermarket rights for the first month, after which other chains will be able to stock Homestead products.

But cafés and other small suppliers will be able to stock Homestead products from the start.

Prices include R1,15 for 250ml of fresh cream (normally R1,56 to R1,62) and 38c for a 175ml fruit yoghurt (normally from 54c to 56c).

## Price promise

The cream price has been cut by 30 percent and yoghurt by about 25 percent.

Prices are expected to rise after the launch but the dairy has promised they will stay well below present opposition prices.

Pick 'n Pay chief Mr Raymond Ackerman yesterday predicted "a hell of a price war."

In opposition to the independent are the established producers — Kaap Suiwel (formerly Van Riebeeck), Union Dairy, Joyce's, and Dairybelle.

## Broke away

The new company was formed by four Western Cape farmers who broke away from the existing supply chain.

"We want to do away with the middleman system," said founder Mr J.P. Melck.

A major competitor, Kaap Suiwel, is not taking this lying down.

General manager Mr Louis du Plessis said: "It is understandable that if we have lost market share we must get it back."

"Without knowing what Homestead's cost structure is I can't really comment on their pricing."

"Our own organisation views price as just one part of our overall strategy."

"We also have to consider the quality of the product, service and availability."

"We will have to wait and see if the new company meets the necessary requirements in these other areas."

Mr du Plessis said Kaap Suiwel was itself a fairly new company — having been established in October 1986 and not 20 years ago as had been reported.

"We are restructuring, but of course I cannot reveal at this stage what our plans are."

# New dairy cuts price by 10%

CAPE TIMES 29/7/81

3 Milk

MS

28/7

**By JANE ARBOUS**  
**THE next shot in the challenge to the great milk cartel will be fired tomorrow when new Homestead Independent Dairy products land on Pick 'n Pay supermarket shelves — at prices about 10% less than those of the "Big Four" local producers.**

After securing an agreement to supply the group, the breakaway dairy brought forward its launch date by several weeks in an attempt to catch the opposition dairies off-balance in any planned counter-attack.

For "strategic" marketing reasons, however, details of the cost differences on the range of products — from cheese to yoghurts and fruit juices — are only expected to be released today. The Cape Times understands that they will average about 10% cheaper.

The agreement means that Homestead products will get equal footing on the shelves and will continue to be sold by Pick 'n Pay even if the long-established producers react by undercutting the new entry into the market.

## 'Red-letter day'

Pick 'n Pay chairman Mr Raymond Ackerman predicted "a hell of a price war", adding that it was "a red-letter day" in consumer history.



Preparing to move cheaper milk on to the supermarket shelves are (left) Mr Ray Murray, a senior buyer for Pick 'n Pay, and Homestead's managing director, Mr John Jacobs (middle), with two of the new dairy's deliverymen, Mr Livingstone Tshambu and Mr Stanford Dadlana.

His company, he said, had always believed in, and fought for, freedom of choice in its stores.

"Until now, this has been impossible." The Homestead is the first independent dairy in 20 years to offer supplies to the entire Western Cape market, effectively breaking the dairy industry stranglehold in the area.

According to Homestead managing director Mr John Jacobs, production at the new factory in Parow was going well "after having our fair share of problems".

Mr Ackerman said the refusal of certain of the opposition dairies to supply all his stores had always been a problem.

## Fighting monopolies

The agreement with Homestead was reached "because of our continued fight for the consumer against cartels and monopolies".

Homestead will supply most Pick 'n Pay stores as far away as Stellenbosch, Strand and Somerset West.

Commenting on the recent milk price rise at these stores, national perishables buyer for Pick 'n Pay Mr Ray Murray said: "Why, we ask? Homestead Dairies are charging one price throughout the whole region."

"Most of the dairies approached by Pick 'n Pay to supply all their stores stated that if they supplied dairy products to the whole region, costs would go up and therefore the price of milk would go up. Why can Homestead supply the whole region and actually sell their products considerably cheaper than the existing dairies?"

"We will continue to carry our existing dairy suppliers in all our stores and ask our customers to make their decision."

Mr Ackerman added: "By offering different products from all our dairies, we will be in a free competitive marketing system which will create a bigger awareness of dairy products and an increase in consumption of this basic nutritious product."

The big drop in local milk consumption was attributed to bad marketing and "unrestrained" consumer price increases of up to three a year.

# Rush for 'illegal' milk

*30/7/82*  
*3 milk*

By JANE ARBOUS

CONSUMERS yesterday snapped up heavily discounted dairy products released in the city by an independent dairy challenging the milk cartel, but the Dairy Board maintains distribution is illegal.

The new development came after a frantic day of sales, and the Homestead Independent Dairy says it is unable to meet the huge demand.

Meanwhile, small-store owners are complaining that their requirements are taking a back seat to those of Pick 'n Pay.

A Dairy Board spokeswoman said from Pretoria that it would only consider an application by the new dairy for a licence — submitted on June 24 — at its next meeting in the last week of August.

But according to the Homestead chairman, Mr J P Melck, late yesterday, the company has been informed by the area representative that it can carry on trading till the board meets and that no action will be taken.

In terms of the board's control measures, it can take Homestead to court which in turn could fine the company for marketing its products without a licence. Industry sources believe that is unlikely.

Meanwhile, the new dairy products — up to 30% cheaper than ruling prices — are already selling at an "unbelievable" rate.

Pick 'n Pay's national perishables buyer, Mr Ray Murray, said stocks in most stores were 50% sold out within the first two hours of delivery and that he had had to organize more deliveries later in the day.

"Homestead's entire daily milk production of 40 000 litres has had to be diverted entirely to Pick 'n Pay from the cafes and smaller retailers who were supposed to sell from today."

Homestead has secured an agreement with Pick 'n Pay for exclusive supermarket rights to the products for the first month, whereafter they will be sold by other chains as well.

The new dairy is the first large-scale independent venture in the Western Cape in 20 years. It was formed by four local farmers and three top producer executives in the industry because of unhappiness over prices, lack of product choice and a poor marketing strategy.

PRODUCT	HOMESTEAD PRICES	OTHER
MILK (Litre)	89c	98c
CREAM (250ml)	R1.15	R1.47 - R1.62
YOGHURT (175ml)	35c	49c - 56c
COTTAGE CHEESE (250g)	89c	R1.35 - R1.45
FRUIT JUICES (Litre)	54c	R1.05 - R1.09

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# Major dairies keeping a watch on newcomer

## Staff Reporter

MAJOR milk companies today vowed to get back their share of the dairy market after the new independent Homestead Dairy's cut-price products were snapped up "as soon as they hit the shelves" in supermarkets yesterday.

Dairybelle general manager Mr Jan Kotze said his company would react if Homestead's prices were "significantly lower".

Kaap Suiwel spokesman Mr Louis du Plessis said that if his company lost its share of the market it would have to try to regain it.

The response to Homestead's products was "absolutely unbelievable", said Pick'n Pay buyer Mr Raymond Murray.

## Sold quickly

The chain has exclusive local supermarket rights to the milk until next month, but cafés will also be stocking the dairy's produce.

The milk was grabbed as soon as it hit the shelves, Mr Murray said. He reported "a definite slight fall-off" in sales of opposition milk.

The new company was formed by four Western Cape dairy farmers who pulled out of the major milk-distribution network controlled by Dairybelle, Kaap Suiwel, Union and Joyce's Dairies.

The farmers said this "monopoly" had artificially forced up prices while not benefiting farmers.

Mr Kotze said Dairybelle was watching the situation, "but I believe these are introductory prices".

He added that his company did not serve only "high-volume supermarkets".

If the new company's prices remained low, however, he would have to consider reacting.

The Dairy Board has given the new dairy its blessing — but says it is breaking the law by operating without a licence.

Dairy Board general manager Mr Edu Roux said from

Pretoria today that efforts were being made to reach a decision on Homestead's application.

"Homestead put in its application only a week ago," he said, and added that there was "no question" that the board was trying to delay matters.

"In fact, it is our policy to encourage new dairies. We have certain regulations and Homestead has complied with them.

"Unfortunately, it is an offence to operate without a licence and we will have to act if we receive a complaint."

Said Homestead managing director Mr John Jacobs: "In terms of the rules and regulations we have been approved."



Dairy changes on the way, but . . .

*Big Dairy*

# Cape milk price war unlikely to spread to Tvl

*38/87*  
*③ Dairy milk*

NORMAN SHEPHERD

REBEL milk supply groups are not likely to emerge in Natal and the Transvaal, say farmers, distributors and the Dairy Board.

They also doubt that independent Cape Homestead group can continue undercutting rivals and they condemn it for not providing full services.

Amid the wrangle the whole milk industry is poised for change. With Parliament's approval, the pool system could be scrapped by year-end. Distributors will then buy directly from farmers, not from the board.

Recent legislation aims at eliminating the split between industrial and ordinary milk, with the result all milk will have to be of higher, uniform quality. This move is putting cost pressure on farmers, forcing some of the smaller ones out of business.

Homestead's sales of milk at 30% discount is seen as a marketing ploy that cannot be kept up, although the board and distributors concede it has a lower cost structure as it supplies only one group, Pick 'n Pay. It thus saves on energy, maintenance and transport costs.

Distributors say Homestead's discounting has received inordinate publicity as retail prices of milk in any case vary from 85c to R1,35 according to delivery and other costs incurred in various areas.

The board has set the milk producer price at 49,5c a litre. To this must be added its 4,6c levy, payable by distributors.

Despite the fixed price, farmers and distributors apparently negotiate above and below this price. With the latest shortage, farmers have been getting better prices.

To the producer price must be added distributors' costs. The Dairy Foundation, an organisation of distributors, estimates packaging adds 9%, personnel 19,5%, energy and services 3%, maintenance and repairs 1,5%, transport 7%, and other costs 4,5%.

Retailers add their profits to the resulting total.

Says Vereeniging milk farmer Johannes Meyer: "Two farmers in our area have set up their own pasteurising units and are distributing their own products, but I don't see any combined farmers' marketing effort ever getting off the ground in the Transvaal."

Northern Milk Producers' Association chairman Louis Theron says he does not know of any attempts by farmers to take over distribution of their products in Natal and the Transvaal.

"There are about 65 distributors in the Transvaal, compared with the four in the Cape," he says. "Natal is in a similar situation with established, stable dairies. Price-cutting would be aimed purely at increasing market share."

"I don't see how the 12 Cape independents can keep their prices down for long. It's just temporary and the same sort of reductions happen all over the Transvaal from time to time."

Foundation members, who supply more than 80% of SA's milk, saw overall sales fall 5% in the year to March 1987. The Western Cape was the only region in which milk sales rose slightly.

The Homestead group supplies not even 10% of the market and its renege action is expected to have hardly a ripple-effect on the industry.

The low-priced products which swept on to the market last week were part of a spectacular launch which could not be maintained without the risk of serious losses, it was claimed.

GERALD REILLY reports from Pretoria a Dairy Board official said the board welcomed new entrants to the industry, including Homestead. Since control on dairy products was lifted in 1983, the board had encouraged new enterpriss in the industry.

"Sharper competitions will mean a better all-round deal for consumers."

The official added Homestead dairies had already been registered, as had other independent operators since control was abolished.

## WHERE'S THE CREAM?

### Milk price breakdown

- Other costs 4,5%
- Transport 7%
- Energy and services 3%
- Personnel 19,5%
- Packaging 9%
- Producer price 55,5%
- Maintenance and repairs 1,5%



Sources: DAIRY BOARD, DAIRY FOUNDATION Graphic: JOHN McCANN

## CAPE MILK WAR

### Shaking it up

Cape Town's "milk war" is in full swing following last week's launch of a new, "independent" dairy established by farmers and businessmen who claim existing dairies in the region operate a closed market — to the detriment of consumers and producers.

Homestead Independent Dairy's (HID) link-up with Pick 'n Pay (P 'n P) means that it will supply most of its production to 20 of the group's supermarkets in the western

FINANCIAL MAIL AUGUST 7 1987

Cape. Initial retail prices last week were 10%-32% below their competitors'.

But Checkers immediately retaliated, undercutting P 'n P's Homestead milk price on milk supplied by HID's rivals. While Cape consumers are lapping up the lower prices, the "war" is unlikely to spread to other regions because reasonably open markets already exist around the country. Cape Town lagged behind following the relaxation of some Dairy Board restrictions in 1984. Only now is a major new dairy emerging to challenge existing operators.

Nevertheless, it seems that P 'n P CE Raymond Ackerman's prediction last week, that "one helluva price war" was about to break out in the western Cape, was spot on. Ackerman welcomed HID's entry into the market, claiming P 'n P had been fighting since its formation in 1967 to open up the dairy market for freer competition.

The group currently sells 25 000-30 000 l of fresh milk a day in the western Cape and the deal with HID obviously means a cut-back in purchases from other dairies, he says. The four farmers involved with HID produce about 37 000 l of milk a day. P 'n P will initially be the only major retailer carrying the dairy's products due to production limitations, although some small retailers will also be supplied.

The new dairy was launched in dramatic fashion amid allegations of attempts by rivals to "sabotage" the operation through legal action, pressure on equipment suppliers and other means.

Major competitor Kaap Suiwel's GM Louis du Plessis rejects the allegations as "nonsense," adding the market can accommodate another dairy.

Dairy Board (DB) GM Edu Roux says the board has no problem with the operation as it is DB policy to encourage new entrepreneurs. Since the easing of dairy industry restrictions in 1984, a number of new under-

takings have been established in the Transvaal and Natal.

"In the rest of the country this is nothing new," says Roux, adding that about 2,34m l of fresh milk is processed daily in SA at an average price of 90c/l. Initial HID fears that the DB would withhold its licence due to technicalities proved unfounded. As of late last week the new dairy was "legal and licensed."

Former Kaap Suiwel executive John Jacobs, now MD of HID, and prominent Cape dairy farmer J P Melck, chairman of the new company, claim other dairies in the region (there are six registered undertakings, operating as two) had an "exclusive agreement" for 15 years on price, delivery zones, wages, tender procedures and other operating conditions.

They allege that under the existing marketing arrangement consumers were offered only one brand of product in a particular area. This, they claim, contributed to "unrestrained" price increases and the exploitation of producers.

Ackerman confirms that even P 'n P had problems with the zoning system which led to the "crazy situation" where consumers were forced to go to two different stores — often close to each other — to get two products with different brand names.

"Competitive forces in SA could go out the window if we allow zoning to creep in. It goes against the principle of free enterprise," he says.

Jacobs maintains the new venture is costing "a few million," which is being funded by producers and the executives involved. "Under no condition will HID be drawn into the existing restrictive agreements," he says.

The new dairy hopes to capture about 10% of the daily milk market in the Cape Peninsula. It will also distribute to Somerset West, the Strand and Stellenbosch. About 322 000 l of fresh milk is sold daily in the region. ■

FOUR farmers, and a group of dairy industry folk, have recently formed the Homestead Independent Dairy. The price of a carton litre of their pasteurised full cream milk is 88 cents — a 10 per cent cut on the ruling price. They will soon

have the full range eager to pay their managing director, Bowes-Taylor. They

# Mr Melck'

IT COULD BE THE CREAM IN YOUR COFFEE

THERE are butter yellow and white flowers along the centre of the N7 on the way to Malmesbury, and when you take the right hand turn-off to the Melcks' farm, you're riding on the banks of a shallow Diep River.

No, J P Melck says, his farm isn't called the Homestead as you might think, it's Vissershok. The great white pillar at the gate was built in 1683, the gabled farmhouse is dated 1768.

In those days, when the river was deep, fishermen came to the jetty which is now the farmyard, their long boats loaded with fish and slaves to barter with the farmers for meat and skins and some wheat.

Vissershok was the first wheat farm in South Africa, it's also the farm to which Mr Myburgh retreated in the early thirties with his brindled cows as they were bundled from a growing Green Point.

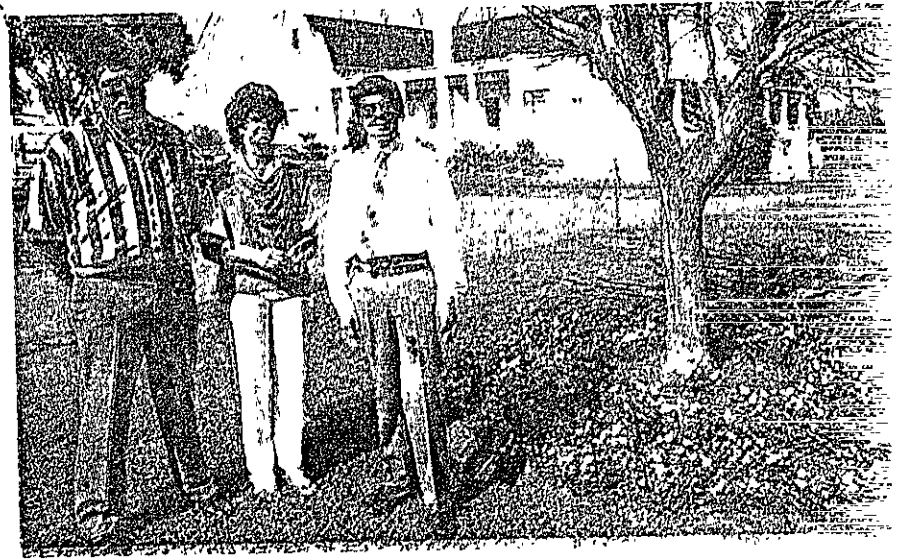
THERE is of course, on an early spring day, an air of rural calm. The contented Frieslands ...

"To break us," JP roars, "they said they wouldn't take our milk. We produce 40 000 litres of milk a day, and they would leave it lying rotten here."

All is not necessarily country tranquillity. JP is a big man. He is also an angry man. He rages against the monopolistic middleman system and the Dairy Board's support of that system. It has artificially forced up dairy prices: "Out of which the farmer got nothing" and caused consumption to drop.

"This, in short and sweet, is what has been going on for the past 20 years." (Thump, thump.)

Four Western Cape dairy farmers form the Homestead Independent Dairy. They and their dairy animals are nicely blood linked through thoughtful forefathers. There's JP, born to dairy farming in Hopefield; Andrew Mellish, of Welbeloond in Milnerton; Chris Starke, Oatlands,



Picture: WILLIE DE KLERK  
JP Melck, Chairman of the Homestead Independent Dairy, his wife Nettie and Marketing Director, John Jacobs and Vissershok, the Melck's eighteenth-century house on the banks of the shallow Diep River.

Durbanville, and Peter Nelson, Bordeaux, Malmesbury.

The Mellishes were the first to import Friesland cows to South Africa. In 1895 the Starkes bought their breeding stock from them, the Nelsons followed suit two years later, JP's father bought his Friesland bulls from the Starkes in 1928.

"That's why we stick together, do things together," says JP with pride.

THE four farmers's first bid for independence was as early as November 2, 1983, when they applied to the Dairy Board for an operating licence. Their application was not successful.

"It was the story it had been for the past 20 years, that there was no place for anybody else. We realised that if the Dairy Board spun this yarn for the next 20 years, virtually no-one would be able to afford milk.

"I can tell you that with the price increases consumption of fresh milk has dropped, from an average in our area in 1983 of 339 000 litres a day to 322 000 on July 29, 1987, our launching day.

"In that period the population, the potential milk drinkers — everybody who's born is enti-

tled to drink milk — in excess of a million.

"So we've taken the initiative to serve the market in a way that is best for the consumer who wants absolute top quality milk. This way we feel is best.

"This is what it's all about. CONSUMERS have to be seen on the market shelves are so cluttered that the future lies in front of us. A breakthrough we've achieved.

John Jacobs says that in the next week or two, we will be able to produce price products — the traditional cottage cheeses, fruit juices as well as the termilk and maas — products that have been mented traditionally in an overwhelming response they simply have not been demanded.

With a future as bright as this, wonder why there's been no demand before.

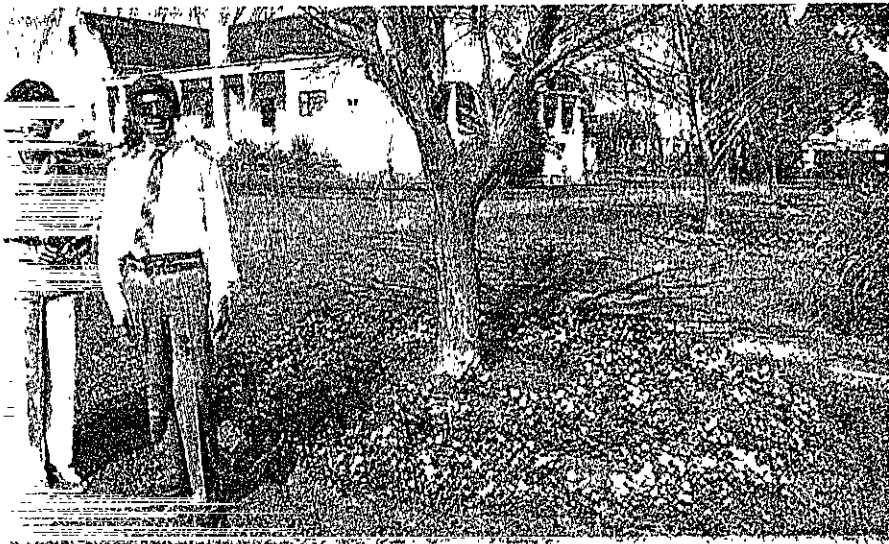
"Over the past 20 years, the major dairies in town,

Industry folk, have re-  
 sent Dairy. The price  
 cream milk is 88  
 price. They will soon

have the full range of dairy products to offer to consumers  
 eager to pay their lower prices. Chairman J P MELCK and  
 managing director JOHN JACOBS take coffee with Gorry  
 Bowes-Taylor. There is the Homestead's rich (cheaper)  
 cream in that coffee.

# Melck's milk

W/G ARGUS 8/8/87  
 3 milks



Picture: WILLIE DE KLERK, Weekend Argus.

of the Homestead Independent Dairy, his wife Nettie Melck, Managing  
 Director, John Jacobs and Vissershok, the Melck's eighteenth century farm  
 house on the banks of the shallow Diep River.

Peter Nelson, Bordeaux,

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"So we've taken the thing into our own hands  
 to serve the market in the way we feel is best  
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 absolute top quality milk at a reasonable price.  
 This way we feel is best for our future.

"This is what its all about." (Thump)

**C**ONSUMERS have lapped it up. Supermar-  
 ket shelves are soon emptied: "A great fu-  
 ture lies in front of us," JP says. "It is the  
 breakthrough we've always dreamed of."

John Jacobs says the Homestead will, within  
 the next week or two, expand their plant capac-  
 ity so as to producetheir full range of lower  
 price products — the milks, yoghurts, cream  
 and cottage cheeses, fruit juices, dairy blend  
 fruit juices as well as the more traditional but-  
 termilk and maas — the brew Africans fer-  
 mented traditionally in a calabash. With the  
 overwhelming response at the launch, he says  
 they simply have not been able to cope with the  
 demand.

With a future as flavourful as that you might  
 wonder why there's been no cartel-bustin' be-  
 fore.

"Over the past 20 years," John says, "the two  
 major dairies in town, together with two or

three smaller distributors, squeezed out all the  
 opposition. They did it in the guise of improving  
 the quality of milk and by and large it was wel-  
 comed by the consumer. It got rid of a lot of  
 purveyors and hawkers. The two dairies set up  
 new factories and they have operated very  
 closely ever since.

"They have made a pretence at being inde-  
 pendent of each other, but when one looks at  
 what is happening even right now, everything  
 that happens in the dairy industry other than  
 what we're doing, is done in unison.

"Their response to our launch has been pre-  
 dictable. They lowered the price of milk in plas-  
 tic sachets! We expected that's what they would  
 do and that they would do it in unison."

**J**P says, and he will talk at length now and  
 with pain and anger, "The Dairy Board, as  
 from July 1, 1983, and you must write this  
 down, lady, the Dairy Board gave the existing  
 dairies the right to adjust their own prices out  
 of Dairy Board control.

"From then on every time there was a little  
 gap in the market, two or three times a year,  
 the dairies put their prices up, just two or three  
 cents and in times of inflation who is going to  
 notice two or three cents, but it went into the  
 dairy's pocket, none of it went to the farmer.

"We immediately went to all the Ministers  
 who said that as far as the Dairy Board was  
 concerned we're living in a world of free enter-  
 prise. Meanwhile we farmers were taking the  
 risks, our production costs were going up and  
 we could do nothing.

"The suffering that we had to endure still to  
 have our cows running around on the farm has  
 been terrifying to the mind, to the living of your  
 family. You must remember all I've done in life  
 is worked my heart out for an animal. But  
 when you get home and your mood is not good  
 and you've served the market and at the end of  
 the day a milk cheque comes and you can't  
 even meet your production costs, what do you  
 do?"

"You go to pieces and your whole farm and  
 family suffers.

"Let me tell you that from 1970 til 1983 I used  
 to handle cows here in double shifts. That  
 meant for those 13 years I worked 21 hours a  
 day non-stop. My people who worked for me  
 worked nine hour shifts. In those years I never  
 had the honour of going away for one weekend,  
 I'm not even talking about holidays.

"I did it only because I always had it in mind  
 that one day things will come to justice and this  
 is now the day."

NR 64 25/8/82

# City's new dairy to push up some prices

Staff Reporter

HOMESTEAD, the new independent dairy, will increase the price of some of its products this month.

A litre of full-cream milk will cost about 4c more, managing director Mr John Jacobs said today.

Prices of only five of the dairy's 40 products would rise because these items — including litre cartons of milk — were sold at special introductory prices for a month after the dairy entered the market.

He said Homestead products would on average remain about 6c to 7c cheaper than opposition products.

## PRODUCTION COSTS

"We made it clear from the start that some of our products were on introductory offer. All we have done now is bring the prices of the five special products in line with our production costs.

"I do not foresee a further increase as long as nothing happens to influence the dairy industry."

Mr Raymond Murray, senior Pick'n Pay buyer, said litre cartons of full-cream milk, some yoghurts, cottage cheese and drinking yoghurt were offered at special introductory prices.

Products not affected included skimmed milk, 500ml yoghurt and full-cream milk in two-litre and 500ml packs.

# Independent dairy revived

CAPE TOWN 27/11/87  
3 milk

By DIANE CASSERE

JUST one month after the launch of a breakaway dairy in Cape Town, another local independent organization has been revived.

Akbar, trading as Dairy Dawn, opened in November 1983 but closed just over two years later after a trading record "fraught with frustration".

Mr John Jacobs, managing director of Homestead, the first "rebel" dairy to break away from the Cape "cartel", announced last night that he would supply the new Akbar Central Dairy with up to 10 000 litres of fresh milk daily, to be sold under its own label, as well as the full range of Homestead by-products.

"Akbar milk will be distributed in as large an area as possible. The supplies can take it. There will be no area restrictions as currently practised by other Cape processors," he added.

Mr Jacobs said that 18 months ago Dairy Dawn sold out to the four major processors, Van Riebeeck (now Bonnita), Dairybelle, Joyce and Union. The business was closed, assets disposed of and the plant dismantled.

The previous owner, Mrs Kurshid Khalfe, daughter of the late founder of Dairy Dawn, Mr Allie Chicktay, will be a director of the new dairy.

"When Homestead entered the market a month ago, I saw the opportunity for a new source of process and supply," Mrs Khalfe said yesterday.

*Q* *Openly Milk*

# Imports rip-off!

## Cheese and butter are sold at double the price

BY MARLENE BURGER

IMPORTED Cheddar cheese which costs R4 a kg at point of origin is being sold to South African consumers at twice the price — but it's all part of the Dairy Board's strategy to protect the local industry.

Permits have been issued for the import of 97 000 tons of milk powder and Cheddar cheese so far this year due to a shortage of milk solids.

The cheese, imported from countries such as New Zealand, Holland, Belgium and Zimbabwe, is paler and less economical than the South African product, according to housewives.

But it cannot be sold at a lower price than it would cost to manufacture locally, and supermarket chains cannot import directly so as to pass on the saving to consumers.

"Permits are issued only to distributors of dairy products. They have spent vast

sums of money to establish processing plants and have thousands of employees on their payroll, whether they are making cheese or not," the Dairy Board's Dr. Edwin Conroy said this week.

"Supermarkets don't have an investment in the dairy industry to protect when shortages arise. They may be issued with permits to import exotic cheeses not made in South Africa, but when it comes to a product like Cheddar we have to protect the long-term interests of the producers."

The general manager of one of the country's biggest dairy co-operatives, Mr Nick Pieterse, said that although cheese was available at between R3 and R5 a kilogram abroad, the cost of getting it to retail outlets was considerably higher.

"We have to pay a landing cost of 20c to 30c and a 25 percent import surcharge on each kilogram. Then there's the cost of getting the cheese to the factory. We are certainly not making a higher profit on the imported product than on the cheese we make ourselves," he said.

So who gets the difference between the price paid by distributors and the average cost to housewives of R5,24 a kg?

The Dairy Board. The money is paid into the stabilisation fund, which is used to subsidise and promote consumption of various dairy products.

Until recently dairy farmers paid the fund a levy of 3,2c on each litre of milk produced. Under the new milk-marketing system, the levy will be paid by distributors. The fund had a balance of R6,1-million on March 1 and income during the current financial year has been estimated at R56,8-million. Protected expenditure to-

### Shortage

The balance of R39,4-million has not been earmarked for use this year.

"Any money in the fund at the end of a financial year is carried over. The same applies to shortfalls," Dr Conroy explained.

"You have to bear in mind that income could be far lower than the estimate in the event of a milk shortage such as the one we are experiencing."

And what happens to the money in the fund in a normal production year, when there is neither a shortage nor surplus to subsidise?

"I don't think we've ever had a 'normal' year. In the dairy industry, it's either feast or famine," Dr Conroy

WORKERS at three Clover Dairies plants in Durban launched a strike over wages this week.

The workers, demanding a minimum wage of R605 a month, have been in dispute with the company over wages since July this year.

A spokesperson for the workers union, the Food and Allied Workers Union, Rene Roux, said dairy workers were still among the lowest paid workers in the food industry.

"We are trying to narrow the gap within the food industry where many companies are paying minimum wages for all food workers."

"The figure of R605 a month was also recognised by the University of Port Elizabeth in March as

# Dairy workers strike

the level necessary for a family of six to survive with the basic commodities," Roux added.

Clover Dairies management and Fawu have entered into mediation with the hope of settling the dispute.

Meanwhile workers at Sunrise Dairies at Hillcrest, Durban, have also downed tools in support of the wage demands - Concord News.

20/9/81

clw

③ Dairy - milk



Cape Times 12/10/87

# W Cape milk cartel broken

3 milk

By AUDREY D'ANGELO, CLARE HARPER  
and PETER DENNEHY

THE dairy cartel in the Western Cape has been decisively broken.

Dairy Belle and Cape Dairy Co-op (which now includes the former Van Riebeeck) products will now be available in the same stores from next week for the first time in 20 years.

Supermarket spokesmen said they hoped that prices of dairy products would fall as a result.

Dairy Belle and the Cape Dairy Co-Operative, which have been operating on a zoning system for two decades, have abandoned the system, and customers will now have a wider selection of dairy

products, the general manager of Pick n' Pay, Mr John Barry, said yesterday.

Mr Stuart Maxwell, financial director of the Cape Dairy Co-Op — the largest processors of milk in the Western Cape — said that it had decided to make its full range of fresh milk products available throughout the Peninsula from today. "It is anticipated that other dairies will follow suit," he said.

The general manager of Dairy Belle, Mr Johan Kotze, said there was no question of an agreement by his company with any other to abandon the zoning system. Agreements between the two companies ceased existing in March last year, after the Competition Board intervened, he said.

He predicted that the prices of some items would fall, but said he hoped there would not be a price war, as "the industry can't afford it".

Mr Barry commended the courage of the newcomers in the dairy products market, the Homestead Independent Dairy, "in coming into the market and fighting these two giants", as this had really contributed towards the breaking of the zoning system.

18665 12/10/87 Milk

## Collapse of dairy pact a 'consumer victory'

Staff Reporter

THE collapse of the dairy zoning system in the Western Cape is a "victory" for consumers, says a chain-store regional director Mr John Barry.

By next week supermarket customers will have the choice of three brand products.

This follows the scrapping of a long-standing agreement between the region's major dairy suppliers, Bonita and Dairybelle, whereby each agreed not to encroach on the other's pre-arranged business territory.

Mr Barry said the emergence of a new dairy supplier, Homestead, earlier this year meant that in recent months consumers had a wider choice of dairy products.

Now that the major producers' cartel agreement had fallen away, consumers would be able to have the widest choice possible.

### "WAY IT SHOULD BE"

"This is the way it should be," Mr Barry said.

Bonita products would be delivered to all supermarkets from today, said Mr Stuart Maxwell, assistant general manager finance for Cape Dairy Co-operative.

"But the supermarkets must get their price listing set up and it might take until Monday before all the stores are geared properly," he said.

He did not see any major price drops being announced by the group but said special promotions would be held to create consumer excitement.

"Dairy prices in the Cape are some of the lowest in the country and farmers cannot afford to drop prices much lower," he said.

The co-op would also have to increase its delivery fleet slightly, but would look at using the fleet to better effect for its deliveries, Mr Maxwell said.

17/10/87 (3 Milk) ~~17/10/87~~

# Hawkish tactics in the dairy trade

"THEY watch us like hawks ... and every time we start delivering to a new outlet they approach the owner and offer their products at a discount," said John Jacobs, MD of the new Homestead Independent Dairy, which has been in business now for 10 weeks.

He was talking about the two main dairies, Dairybelle and Cape Dairy Co-op, which for 20 years divided greater Cape Town into separate zones in which they operated. The system gave shoppers no choice between products and irritated retailers, who had no chance to bargain over prices.

This situation ended in August when Homestead started up, offering lower prices. Although its introductory offer lasted only a limited period, prices in areas where its products are available are still generally lower than four months ago.

Now, with the Cape Dairy Co-op's decision this week to deliver to supermarkets outside its own established terri-

**THE men who brought Cape Town milk prices down by starting their own dairy — and introducing the first real competition for 20 years — talked to AUDREY D'ANGELO about the current situation.**

tory, and Dairybelle promptly following suit, it seems there is real competition between the two.

Or is there? Jacobs said yesterday: "We would welcome real competition in our industry which would stimulate interest and push up sales volumes generally.

"But to judge from their published advertisements Dairybelle and Cape Dairy Co-op do not seem to differ much from each other in price.

"I would love to see price lists of their complete range of products, all different."

Meanwhile an Indian-owned dairy, supplied by Homestead, has started up to provide more competition in

the townships.

The Akbar Dairy, run by a family who had been in the industry for at least two generations, started up a few years ago to challenge the two main dairies and was bought out and closed down after difficulty in maintaining supplies.

Now the late owner's daughter, Begum Khalife, has started the Akbar Central Dairy and is supplying her father's customers. "We are supplying her with about 8 000 litres of milk a day," said Jacobs.

Akbar Central Dairy's advent has been welcomed by the influential Western Cape Traders' Association whose chairman, Kassiem Allie, said this week he hoped "other black dairies" would start up, to keep prices down and stimulate sales.

Jacobs said Homestead's ability to supply other independent distributors would depend on the availability of supplies. There was currently

a shortage of milk in the Western Cape.

Stuart Maxwell, financial director of the Cape Dairy Co-op, told me this week that he did not think Homestead would be able to maintain its prices at their present levels much longer.

Jacobs commented: "We get an uncanny feeling that there is a group of competitors watching and waiting for us to raise our prices."

He said that since starting up "we have had about a dozen cost increases. But we planned for them and have absorbed them".

However, he admitted: "There will come a time when we have to look at our cost structure again."

Jacobs said that Homestead's prices averaged 8% below those formerly charged by the big dairies. This enabled the retailers, including Pick'n Pay, to sell at lower prices while still enjoying the same

● To Page 17

WAS

# Dairy workers go on strike

Daily Dispatch  
Reporter

EAST LONDON — Production and delivery workers are on strike at United Dairies in Chislehurst.

The manager of the East London branch, Mr Tommie Barkhuizen, said the strike was unlawful.

The workers, represented by the Food and Allied Workers' Union, had gone on strike on Monday after disciplinary action had been taken against an employee who had threatened a fellow employee. The workers were demanding his reinstatement.

Negotiations with the union were continuing.

Mr Barkhuizen said an ultimatum had been issued to the workers on Tuesday to return to work yesterday. They had ignored the ultimatum.

To be fair to the workers, the deadline had been extended to today. If they did not resume their normal duties they faced dismissal.

Production was continuing with white and coloured staff running the production lines and delivering milk to retail outlets, Mr Barkhuizen said. He appealed to home delivery customers to buy their requirements from retailers in the meantime.

The branch secretary of the Food and Allied Workers' Union, Miss Deborah Komosa, said the workers felt the dismissal of their colleague was unfair as there was no proof of any threats.

The management had not been prepared to resolve the matter when the union was trying to do so.

"Mr Barkhuizen asked the union to terminate the strike but said he was not prepared to reopen the case and the matter was closed," she said. — DDR.

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*Cape Towns 14/10/88* *3 Milk*

# Milk zones go: Benefits short-term'

THE recent relaxation of controls on the milk industry were of great benefit to consumers in the short-term but could have disastrous consequences over a longer period.

This was said, yesterday, by the chairman of the Cape Dairy Association, Mr John Middleton, at a function organised by the Dairy Board yesterday.

The regulations which previously divided regions into

zones in which dairies operated were recently scrapped.

This meant that dairies were now "scratching each others eyes out" in an attempt to compete and get business.

He said that it was not unusual to see five dairy trucks making deliveries to one corner cafe. This meant that dairies had to make heavy capital investments to buy more expensive trucks.

This would result in only a few

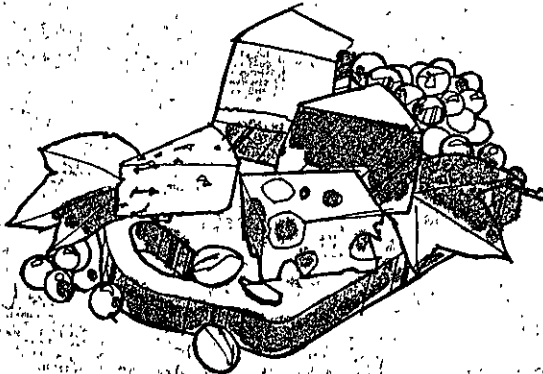
and possibly one powerful dairy controlling the market since all the smaller dairies would be pushed out.

Mr Middleton conceded that the old system allowed the consumer little protection against unscrupulous dairies.

However he objected to the complete scrapping of this system and said a balance should rather have been reached.



## Say 'cheese' please



Bread 'n cheese. Cheese 'n Wine. Macaroni cheese, cottage cheese, toasted cheese, cheese scones, cauliflower cheese, grated cheese, baked spud and cheese... the ultimate snack, that's cheese. And it's so versatile everybody can enjoy it whether you're a health nut, dieter, budget beater, or vegetarian.

Made from pasteurised milk and ripened over a period of time cheese is basically divided into two varieties, hard and soft. Soft - Cream cheese, cottage, Brie, Camembert. Hard - Cheddar, Gouda, Emmenthal, blue veined. Once cheese has ripened it reaches its peak, which passes fairly

quickly. So it's best to buy cheese freshly cut off a large block. Buy it in small quantities for quick use in order to prevent it drying out. Wrap it in aluminium foil or wax paper then put it in a plastic bag or box in a cool pantry or refrigerator.

And to think it all starts with milk.

## FOOD FOR THOUGHT

You'll find milk in one of its many guises incorporated into mouth-watering recipes in every recipe book you discover. But here are a few dishes to set you on the road to delicious dairy eating.

### Banana milkshake

3 ripe bananas  
50 ml honey  
a few drops almond essence  
50 ml orange juice

1 litre milk  
whipped cream  
grated nutmeg  
Mash bananas. Whisk rest of ingredients and

add bananas. Mix thoroughly. Serve in tall glasses and top with whipped cream and grated nutmeg.

### Indonesian lamb kebabs with yoghurt sauce

1,5 kg shoulder of lamb, cut in 2 cm cubes  
2 greenpeppers, seeded, washed and cut in 2 cm pieces  
24 small tomatoes  
50 ml sunflower oil

**Marinade**  
100 ml lemon juice  
100 ml sunflower oil  
10 ml ground cumin seed  
5 ml paprika  
5 ml Cayenne pepper

**Yoghurt sauce**  
500 ml natural yoghurt  
30 ml lemon juice  
60-125 ml parsley, washed and chopped  
3 ml salt

**Purée ingredients for marinade.** Pour over meat cubes and mix thoroughly. Cover and marinate overnight in refrigerator.

Whisk together yoghurt, lemon juice, pars-

ley and salt. Cover and chill overnight.

Skewer meat, greenpepper and tomatoes alternately on 6 skewers. Lightly brush with oil.

Braai over hot coals or under hot grill for 15 minutes, or until meat has browned.

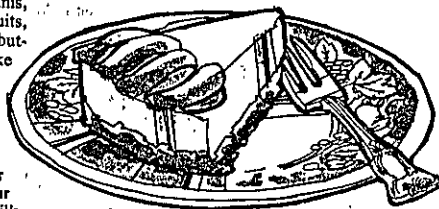
Serve with brown rice and yoghurt sauce.

### Baked cheesecake

**Crust**  
200 g crumbs of Tennis, Marie or ginger biscuits, mixed with enough butter and sugar to make a firm crust.

500 g smooth cottage cheese  
3 eggs, beaten  
pinch salt  
15 ml custard powder  
15 ml self-raising flour  
300 ml evaporated milk  
125 ml sugar  
5 ml vanilla essence

Line dish with crust ingredients. Mix cottage cheese, eggs, salt, cus-



tard powder and self-raising flour. Gradually add evaporated milk. Add sugar and vanilla essence. Spoon filling

into crust. Bake at 175°C until golden. Cool in oven. Decorate with fruit and whipped cream.



# The milk price nudges the R1 limit

By KIM CLOETE

IN tune with the escalating inflation rate two of the country's largest dairies have upped the milk price by five cents over the past two months.

Dairy Belle is to raise its milk price on Monday and National Cooperative Dairies, which trades under the name Clover, increased its milk price on August 1.

As almost 90 percent of all South Africans drink milk this could have a drastic effect on consumers.

Dairy Belle managing director Roy Smither said salary and wage increases of between 15 and 20 per cent in the industry — resulting from recent annual wage negotiations with the Food and Allied Workers Union (Fawu) — had compelled the company to up the milk price.

In addition government increases in electricity, postal rates and the new petrol price had necessitated the rise, he said.

"We simply have to pass on a portion of those increases. But realising milk is a staple food we have tried to be responsible and think around R1 for a litre of milk is a fair price."

But Smithers' sentiments are not shared by all consumers.

The executive director of the National Black Consumer Union, Eldridge Mathebula, strongly condemned the increase saying consumers "can't afford the skyrocketing of staple foodstuffs at such an alarming rate."

He attributes the increased price directly to the government's "wasted expenditure" and its irresponsible lack of control over the country's inflation rate.

"Consumers simply do not have enough money to manage with unfair increases such as this, especially taking into account the country's alarming unemployment rate."

The head of public relations for the Consumer Council, Paul Roos, also attacked the increase, describing it as "a hard knock for consumers".

He was also critical of moves by

## Blacks drink far less than whites

23-29/9/88

THE average urban black consumer drinks substantially less fresh milk than white consumers in urban areas — with 128,3 litres per year being consumed by the average white person and only 13,9 litres by the average black person.

Instead, 87 percent of black consumers and 90 percent of Indians opt for *maas* (sour milk) according to a study conducted between 1977 and 1987 by the University of South Africa's Bureau of Economic Research (BER).

An incredible 4,675 million litres of milk are churned out of South African dairies daily. Of this 4,624 million litres is consumed, leaving a 1,1 percent surplus which is converted into milk powder.

Indicative of the greater affluence in white urban areas, the average white person eats 9,07kg of cheese per year, while black consumers eat an average of only 0,38kg annually. Indians and "coloureds" eat between two and three kilograms per year, according to the BER.

Yoghurt also tends to be more of a luxury consumer item, with white consumers consuming 5,97 litres of yoghurt a year, blacks 1,24 litres, "coloureds" 1,01 litres and Indians 1,14 litres.

market leaders to increase prices without fully informing the public well in advance, and appealed to distributors to make the increases known for the benefit of improved consumer awareness.

In an effort to lower the price, Mathebula has called for government subsidising of milk. At present the only dairy product which is subsidised is butter — and only to a small degree.

This is the second time a call has been made to subsidise milk. In February there was an outcry from consumers after an eight percent increase in milk prices.

But Smithers believes price control would be detrimental to the future of the industry. He argues free market forces tend to provide a better quality product at a better price for a longer period of time.

Industry sources also said through stringent price controls farmers ceased to make a living and milk products had to be imported.

Fifteen years ago there were more than 20 000 dairy farmers. Although the increased price of milk has caused South African farmers to come back on the scene, there are only 10-12 000 dairy farmers at present.

Up until 18 months ago the Dairy

Board — the umbrella body for 11 major buyers and a number of smaller ones — controlled the price of milk, explained the Board's assistant public relations officer, Kevin Webb.

However, free enterprise had taken over and it was now up to individual buyers to set their own price for milk.

The Board's main functions now involve quality control and the marketing of dairy products through advertising and promotions.

Smithers said milk prices varied from outlet to outlet. Supermarkets usually charge less for milk and often sell it at cost or below cost. Milk is often used as a "loss leader" — a product used to entice customers to shop at a certain store.

The timing of price increases and the price paid to farmers also varied according to the region. "What we pay a farmer in the Vaal may be different to what we pay him in Port Elizabeth," Smithers explained.

*Handwritten marks:* A scribble and a circled '3' followed by 'Mick'.

*Dairy Farm*  
**Government approves new milk scheme**

Pretoria Correspondent

③ milk

Star 29/7/66

A scheme to minimise the Dairy Board's involvement in the production, handling and marketing of milk and dairy products has been approved by the Government.

This was announced in Pretoria yesterday.

The new scheme, based on free market principles, will be known as "Milk is Milk".

The scheme will be proclaimed officially in the Government Gazette today.

The board said the approval of a uniform marketing system heralded a new dispensation for the industry.

Whereas the emphasis in the past was on the statutory control by the board, free market principles and competition would play a leading role in the future.

"The main aims of the 'Milk is Milk' scheme are to remove the artificial differences between fresh and industrial milk, and minimise the board's involvement in the production, handling and marketing of milk and dairy products."

Under the system, the board determines a floor price for bulk milk from producers only and interference in the free market is kept to a minimum.

## Uniform milk price (3)

*1/10/51*  
*JP*  
THE Minister of Agriculture, Dr Greyling Wetzel, has approved a uniform milk system based on free market principles, the Dairy Board announced in Pretoria at the weekend.

"Whereas the emphasis in the past was placed on statutory control by the Dairy Board, free market principles and

competition will play a leading role in future," the board said in a statement.

The board would, as from September 1, determine the bulk milk floor price and announce a minimum price for industrial and fresh milk, it said.

*Samoa*

# Free market system for milk distribution <sup>9/18/50 Star</sup> <sup>(3) Milk</sup>

By Caroline Mehliss

The entry of the dairy industry into the free market arena is a victory for consumers, whomust now work at deriving the maximum benefit from it, says Mrs Betty Hirzel, consumer representative on the Dairy Board.

The board met last week to put the rubber stamp on the new "milk is milk" theme in which it relinquishes previous controls on the production, handling and marketing of milk and dairy products, other than setting a minimum floor price for milk.

"With the removal of all cramping regulations, the way is now clear for anyone to enter the industry and to sell his products at any price. This will promote healthy competition," Mrs Hirzel said.

"The consumer must also do his

share to ensure this free market concept works. He must look at market trends, buy sensibly, and support manufacturers and distributors who are keeping prices down.

"A second benefit to the consumer will be the wider and more attractive range of products that will result.

"There is always a danger in a free market system that the big guys get together to squeeze out the little man. This has, in fact, happened in the past in the dairy industry.

"The Free Market Foundation, however, is confident this won't be a problem because as soon as one little man is pushed out a new one enters the industry.

"The fact that the big guys try to kill the small businesses shows the free market system is working."

# Clover puts up milk price

MANDY JEAN WOODS

THE Clover Dairies fresh milk increase of 10c from August 1 affected consumers in the Witwatersrand, Vaal Triangle and Natal.

NCD GM M Hermann said yesterday the average price increase — attributed mainly to labour and raw product costs — was between 7% and 8%.

Pick 'n Pay and Checkers said they would not raise their milk price in the near future, and the OK Bazaars said it would increase its price of Clover milk by 6c from August 15.

Pick 'n Pay regional director Jeff Kahn said his company turned down an

NCD request to approve an increase.

Pick 'n Pay milk sells for R1,10 per carton litre and R1,02 per sachet litre.

OK Bazaars marketing controller (food) Mervyn Kraitzick said NCD had put up its price of milk to the company by 6c a litre from August 15, but that its own "plain wrap brand" sold at 99c a sachet.

Clover Dairy milk at the OK, currently selling for R1,09 per sachet litre, would increase to R1,15, and carton litres selling for R1,15 would increase to

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Pick 'n Pay  
Checkers  
OK Bazaars

HORIZON

3 MILK B/day 29/7/88

# New milk purchasing system to be launched

PRETORIA — A new uniform milk purchasing system which will strip away much red tape from the present scheme was announced here yesterday and is to come into effect on September 1.

Dairy Board GM Edu Roux said the new system was based solidly on free market principles.

It was also learned yesterday that the dairies planned to ask for another price increase in August. The last increase was in February.

The board's functions will decrease and staff have already been reduced by

GERALD REILLY

40. Its involvement in production, handling and marketing will be minimised.

Roux said emphasis in the past had been on statutory control by the Board.

Now free market competition will play a major role and artificial differences between fresh and industrial milk will also be removed.

A spokesman for NCD, the Reef's major dairy, said the system had been operating unofficially in the industry for nearly a year and had been "extremely

successful". Yesterday's announcement was merely the official "rubber stamp".

A Pick 'n Pay spokesman said the deregulation had affected the price of milk and had also allowed some smaller dairies to enter the market.

"But the market is still an oligopoly and the bigger dairies have such an influence on the price that the smaller ones tend to follow the price. However, there is still some flexibility within a

● To Page 2 →

## New milk purchasing system launched

narrow band," he said.

The board will determine a floor price for all bulk milk and interference with the free market will be minimised.

The new system will allow direct sales by producers and buyers will be able to negotiate prices.

Roux said producer levies would still be paid to the board and used to stabilise and promote the sector. The board would continue to dispose of surpluses and supplement shortages.

He said the sharpened competition would lead to a bigger variety of milk products and packaging. Fresh milk producers could elect to share in the boards

or be paid directly by the milk purchaser.

Only those who elected to share in the pool need register with the board. Until now all fresh milk distributors in controlled areas and all dairy factories were registered with the board and had to comply with certain conditions.

With the new scheme only milk purchasers and producer-distributors who handle more than 500 litres a day have to register.

From Page 1

3 MILK

B/day 29/7/88 ←

## 'No change in milk price'

PRICE controls on fresh milk — dropped five years ago — will not be re-introduced "at this stage" Agriculture Minister, Greyling Wentzel, said yesterday.

He said in a statement made available to Sapa yesterday morning the National Marketing Council, in collaboration with the Dairy Board, had completed its investigation "into the

possible reinstatement of control over the consumer prices of fresh milk."

Findings of the investigation were that fresh milk price increases "as a whole were smaller than in the preceding five years." *Sowetan 24/6/83*

"Healthy competition" had also developed in the fresh milk distribution trade, and the Dairy Board's decision to abolish control over the

selling prices of milk and to allow distributors unrestricted access "has consequently yielded good results."

The investigation also revealed the consumer price of fresh milk had not risen out of proportion "to that of most other food items since the abolition of price control in 1983." Sapa.

# No hike for <sup>Sowetan</sup> milk, cheese <sup>11/6/88</sup>

**SOWETAN Reporter**

Milk and cheese are unlikely to increase in price before the end of the year, in spite of the country being on the brink of a milk shortage.

Dairy Board general manager Edu Roux said yesterday the Western Cape's "cheese mountain" of accumulated stocks will probably allow producers to meet demand until early next year.

While the price of cheese was not controlled, that of milk was determined by the board.

"Because farmers are paid considerably more than the determined floor price of milk, there is no increase in the milk price in the pipeline," said Mr Roux.

One of the general managers of Cape Dairy Co-operative, Mr Louis du Plessis, said cheese imports had led to a surplus at the end of February.

This, coupled with a seasonal increase in production at the beginning of the year, meant producers could meet the demand for the next year.



# Cheese, milk rise unlikely

CAPE TOWN — Prices of milk and cheese are unlikely to increase before the end of the year.

Dairy Board general manager Mr Edu Roux said yesterday that the Western Cape's "cheese mountain" of accumulated stocks would probably allow producers to meet demand until early next year.

While the price of cheese was not controlled that of milk was determined by the board. "Because farmers are paid considerably more than the determined floor price of milk, there is no increase in the milk price in the pipeline," said Mr Roux.

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— Sapa.

3 Milk

# SA on brink of milk shortage

## Staff Reporter

MILK and cheese are unlikely to increase in price before the end of the year, in spite of the country being on the brink of a milk shortage.

The Western Cape's "cheese mountain" of accumulated stocks will probably allow producers to meet demand till early next year, the general manager of the Dairy Board, Mr Edu Roux, said.

One of the general managers of

Cape Dairy Co-operative, Mr Louis du Plessis, said cheese imports had led to a surplus at the end of February.

This, coupled with a seasonal increase in production at the beginning of the year, meant producers could meet the demand for the next year.

Cape Dairy is one of the largest wholesale suppliers of cheese in South Africa, said Mr Du Plessis. He did not anticipate they would increase their prices before the

end of the year.

The Dairy Board said that while the price of cheese was not controlled, that of milk was determined by the board.

"Because farmers are paid considerably more than the determined floor price of milk, there is no increase in the milk price in the pipeline," said Mr Roux.

However, the accumulated stocks together with the increased production would "only just" be able to meet demand.

# Milk price control coming? D/D 20/5/88

<sup>(3) Dairy + milk</sup>  
The Minister of Agriculture, Mr Greyling Wentzel, has announced that he is considering the re-introduction of price control on fresh milk.

Why?

Because the retail price has gone up sharply in some outlets.

Why? Why has it gone up so sharply? And why, when price control was lifted in 1983, have some of the biggest rises only come in recent months?

Answer: Because there is so little competition to produce and market it any cheaper and because competition is getting scarcer still.

The Dairy Board and the Department of Health have systematically been stifling competition in both the production of milk (by means of daft minimal standards and penal levies which discriminate against producer distributors and small, independent dairies).

A whole series of court cases is pending following the refusal of several small dairies to pay dis-

~~crim~~crimatory levies imposed upon them by a board (loaded with people who are not devoid of vested interests) bent on driving them out of business.

If the Minister does reintroduce price control it will be a shameful admission that his advisers don't understand simple economics or (worse still) that they do understand economics but have no concern for justice.

Quote: "Monopolists, by keeping the market constantly understocked, by never fully supplying the effectual demand, sell their commodities much above the natural price and raise their emoluments, whether they exist in wages or profit, greatly above their natural value.

"The price of monopoly is upon every occasion the highest which can be got. The natural price, or the price of free competition, on the contrary, is the lowest which can be taken . . . The one is upon every occasion the highest which can be squeezed out of the buyers . . . the other the lowest which the sellers can commonly afford to take."—Adam Smith, The Wealth Of Nations, 1776.

●With acknowledgments to Effective Farming

The medical doctor concerned has the discretion on the orders he deems necessary in each particular case and his prescriptions are carried out to the letter as in all other cases.

Milk producers: payment of levy to Dairy Board

\*26. Mr R W HARDINGHAM asked the Minister of Agriculture:

- (1) Whether milk producers are required to pay a levy to the Dairy Board; if so, (a) what is the amount of the levy and (b) who is responsible for the collection thereof;
- (2) whether this levy is being paid by all milk producers; if not, (a) why not and (b) what categories of producers are exempted from paying the levy;
- (3) whether he will make a statement on the matter?

†The MINISTER OF AGRICULTURE:

- (1) No, but a special levy is collected for the payment of quality premiums to producers who deliver fresh milk to and pools of the Dairy Board in the controlled areas and who qualify for the premium;
- (a) R0.02 per litre;
- (b) the Dairy Board;
- (2) no;

- (a) since the quality premium scheme is not applicable outside the controlled areas for fresh milk;
- (b) milk producers who do not deliver milk to the fresh milk pools in the controlled areas;
- (3) no, except to state that the other levies and special levies are collected from manufacturers and distributors.

Mr R W HARDINGHAM: Mr Speaker, arising from the hon the Minister's reply, may I ask whether all the agents who collect milk in controlled areas are collecting the levies from the producers in the controlled areas?

The MINISTER: Mr Speaker, the answer is yes.

Provision of lists of detainees: alphabetical order/ information on addresses: places of detention

\*27. Mr J B DE R VAN GEND asked the Minister of Law and Order:

- (1) Whether, with reference to the reports issued and tabled in Parliament by him in

HOUSE OF ASSEMBLY

in regard to the relocation of the residents of Lawaakamp; if not, why not; if so, (i) when, (ii) what was the purpose of this statement and (iii) what is the name of the association concerned;

- (2) whether he has received any representations from the residents of Lawaakamp concerning their removal to Sandkraai; if so, (a) when, (b) from how many persons or organizations and (c) what was (i) the purpose of these representations and (ii) his response thereto;
- (3) whether any action will be taken against residents who do not wish to be relocated from Lawaakamp to Sandkraai; if so, what action;
- (4) whether he will make a statement on the matter?

The DEPUTY MINISTER OF CONSTITUTIONAL DEVELOPMENT AND PLANNING:

- (1) I have no knowledge of a statement made by an association in George concerning Lawaakamp.
- (2) On 26 November 1986 my office received from the George Civic Association a copy of a letter which the Association had addressed to the State President on 23 November 1986. My office acknowledged receipt of this correspondence, concerning the relocation of people from Lawaakamp, on 1 December 1986 and informed the writer that the correspondence had been forwarded to the Cape Provincial Government for attention.

- (3) The Cape Provincial Government has informed me that the clearing of Lawaakamp is being handled by the Municipality of George and it is understood that the Municipality will apply to the court for a deportation order as soon as it is clear that the residents of Lawaakamp are not responding to the notice to leave the area before or on 31 May 1988.
- (4) No

Archival material relating to Department of Foreign Affairs: closed for period 1910 to 1955

\*29. Mr R M BURROWS asked the Minister of National Education:

- (1) Whether, with reference to his reply to Question No 27 on 26 April 1988, all archival material relating to the Department of Foreign Affairs is regarded as closed for the period 1910 to 1955; if not, for what period is it regarded as closed; if so, (a) why and (b) when was this decision made;
  - (2) whether he will consider approaching the Minister of Foreign Affairs in connection with permitting access to part or all of the archival material of that Department; if not, why not;
  - (3) whether any restriction, other than the approval of the Minister of National Education in consultation with the Minister of Defence, is placed on access to archives of the South African Defence Force; if so, (a) what restriction and (b) when was it imposed;
  - (4) whether, in relation to South African Defence Force archives, he has at any time withheld his approval for access after consultation with the Minister of Defence; if so, (a) to which period or area of study was access refused and (b) why?
- †The MINISTER OF NATIONAL EDUCATION:
- (1) Yes.
    - (a) On request the Department of Foreign Affairs.
    - (b) 1980.

I would like to point out however that this answer is only applicable to those documents of the Department of Foreign Affairs which had already been transferred to an archives depot. All documents of the Department of Foreign Affairs had not yet been transferred to an archives depot. In respect of these documents the head of that Department may in terms of the provisions of section 9(6) of the Archives Act, Act No 6 of 1962, in his discretion approve or reject applications regarding access to the documents of his Department.
  - (2) Yes, if such an application is received in respect of archives in an archives depot.
  - (3) No.

HOUSE OF ASSEMBLY

10/5788 (2) Dairy Milk

# Unpasteurised milk clampdown

QUEENSTOWN — The municipality here is to make an all-out effort to stop unpasteurised milk being brought into the town.

The head of the municipal health and recreation department, Mr Hennie Stroebe, said he was aware that since Bowker's Park Creamery closed its industrial milk section in October last year, many farmers were selling unpasteu-

rised milk directly to the public.

He warned this was a contravention of municipal health regulations, adding there was a heavy penalty and that anyone caught buying such milk would also be penalised.

"The reason for the clampdown is that this type of milk is a common medium for carrying various diseases."

DID 29/1/54

~~2/54~~

# Hike in butter price

PRETORIA — The butter, a 10 per cent butterfat increase by primary producers, and a 6,9 per cent butterfat increase by milk powder factories and distributors.

~~2/54~~ It said the 9,3 per cent "minimal increase" coincided with the government's appeal to contain inflation and ascribed it to a lower subsidy on <sup>3 Dairy products</sup> The board has also suspended its control over milk, cheese and the retail price of butter while wholesale butter will be next, the release said. — Sapa

# Dairy labels must tell all to consumer

SMC  
29/4/88  
3 DAIRY & MILK

By Caroline Mehliiss

Consumers can now clearly distinguish between real and imitation dairy products, thanks to new regulations of the Marketing Act.

The regulations make a clear distinction between four classes of product: Primary (a pure dairy product such as milk or plain yoghurt); composite (a product such as cottage cheese or yoghurt with additives); modified (for example, butterspread), and imitation (creamers, blends, sweetened condensed milk made from vegetable oil and soya milk).

In future, specific descriptions for the different imitation dairy products must be displayed on all packaging.

Creamers may only be described as tea or coffee creamers. Imitation milk, usually sold in powdered form, can only be described as a blend or imitation milk. Imitation cream must be labelled as dessert topper, and condensed milk made with soya milk must be described as such.

## Protein

Imitation milk must have a minimum protein content of 20 percent. Previously it varied from between eight and 17 percent. The minimum milk protein content requirement for real milk powders remains at 35 percent.

The regulations also provides for comprehensive product labelling to enhance consumer awareness of what is being purchased.

The following information must now appear on the packaging: "The class designation of the product— for example, primary, modified,

"Any additions to the class designation, such as 'sweetened', 'flavoured', 'pasteurised', 'raw', 'mature'.

"The name and address of the packer.

"A number or code indicating the production lot and date of manufacture of packaging.

"In the case of real dairy products known as dairy powder blends or dairy liquid blends, the three main ingredients must be indicated.

"For imitation milk products or blends, the four main ingredients must be indicated.

"If coconut oil or palm kernel oil is a constituent of an imitation dairy product, this must appear on the label.

"On the main panel of creamers and imitation milk, the words 'Not for infant feeding', framed by a solid line, must be included. For the purposes of the regulations, an infant is a child under three.

"Pure dairy products known as dairy powder blends, dairy liquid blends and whey powder must be marked 'Not for infant feeding'.

"Low-fat butter and low-fat modified butter must be labelled 'Not suitable for frying purposes'."

The regulations further determine what may NOT appear on the packaging: "No word, mark or illustration that may create a misleading impression regarding the quality, class, origin or composition of the product. For example, there could not be a cow on the label of an imitation milk product.

"No use of words such as 'natural', 'super', 'extra', which may create the impression a product is of a special quality, unless the word is part of the trade mark.

"No comparison with or reference to the merits or demerits of dairy products against imitation dairy products may be marked on the container of an imitation dairy product.

"The word 'instant' may only be marked on the container of a dairy product if it disperses in water within 20 seconds when stirred."

Dr CP Lerm, communications and marketing head at the SA Dairy Foundation, said the new regulations were already in effect, but manufacturers who were not complying with them had until the end of May to do so.

He said it was the duty of every consumer to report contraventions of the regulations from June to the Directorate of Agricultural Product Standards.

Star 22/4/86

# Cheddar cheese gift for Maggie

A South African cheddar cheese with a tradition going back to the days of Queen Victoria will soon appear on the menu of the British Prime Minister, Mrs Margaret Thatcher.

She has told National Co-operative Dairies (NCD) that she would be "only too delighted" to accept the cheese as a gift from this country's

dairy farmers. <sup>3 Dairy milk</sup>  
The cheese will be the first of a limited series of numbered cheeses, hand-made, matured and packed in wooden boxes by NCD in the same manner as during the reign of Queen Victoria when similar cheeses were exported to London.

The British Consul-General, Mr John Massingham, will accept the

cheese on behalf of Mrs Thatcher.

The occasion forms part of the town's 150th anniversary.

The cheese will be presented to Mr Massingham by Mr Japie Dreyer, chief executive of NCD.

Limited quantities of the cheese will be available to the public at selected retail outlets from May. — Sapa.



## HOUSE OF ASSEMBLY

†Indicates translated version.

For written reply:

General Affairs:

Strikes involving Blacks

18. Mr P G SOAL asked the Minister of Manpower:

(a) How many strikes involving Black workers occurred in 1987, (b) in how many cases did the strikes arise out of wage demands and (c) what were the main causes of the remainder of the strikes?

The MINISTER OF MANPOWER:

(a) 1 128	
(b) 461	
(c) Working conditions	174
Disciplinary measures	147
Various other reasons	346

Note: The figures furnished under (a), (b) and (c) are for strikes and workstoppages for all population groups, as separate figures are not kept. In 20 instances out of a total of 1 148 strikes and workstoppages Blacks were not involved.

Trade unions: applications for registrations  
28. Mr P G SOAL asked the Minister of Manpower:

How many trade unions applied between 1 January and 31 December 1987 for registration in respect of (a) Black employees only, (b) White employees only, (c) Coloured employees only and (d) employees of more than one population group?

The MINISTER OF MANPOWER:

(a) 2
(b) 0
(c) 1
(d) 8

Subsidies: amount paid out

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

What amount was paid out in subsidies in respect of (a) bread, (b) maize and (c) butter for consumer use in the 1986-87 financial year?

The MINISTER OF AGRICULTURE:

(a) R147 million
(b) R120 million
(c) Nil

The said payments were made under Vote 18: Programme 6: Agriculture Economics and Marketing.

Milk/industrial milk: producer's price/price increases

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

(a) What was the producer's price of (i) milk and (ii) industrial milk as at 1 June 1987 and (b) what price increases have come into effect in respect of each category since that date?

The MINISTER OF AGRICULTURE:

(a) (i) On 1 June 1987 minimum producer's prices only were in force in the Dairy Board's controlled areas and the minimum prices which distributors had to pay for fresh milk were as follows:

Bioemfontein area	47,43 c/litre
Cape Peninsula area	50,85 c/litre
Transvaal area	48,72 c/litre
Natal area	48,54 c/litre

(ii) In respect of industrial milk minimum prices only were in force on 1 June 1987 and the minimum prices for the various classes of industrial milk were as follows:

Class A+ — 450c X% butterfat + 674c X% protein per kg
Class A — 450c X% butterfat + 387c X% protein per kg
Class B — 450c X% butterfat + 358c X% protein per kg
Class C — 450c X% butterfat + 324c X% protein per kg

(b) None

Nasella trichotoma: approximate area in RSA infested

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

(a) What was the approximate area of land in the Republic infested by nasella trichotoma at the end of 1987 and (b) (i) what amount was spent by his Department in 1987 in combating the spread of this weed and (ii) how many hectares were cleared in that year?

The MINISTER OF AGRICULTURE:

- (a) 87 368 hectares  
(b) (i) R266 000

(ii) During the period 1 April 1986 until 31 March 1987, severe infestations on 1 064 hectares were brought under control. Infested areas can never be cleared totally from nasella trichotoma.

Persons occupying premises in contravention of Group Areas Act alternative steps

308. Mr S S VAN DER MERWE asked the Minister of Justice:

With reference to his reply to Question No 221 on 11 August 1987, (a) what alternative steps are taken against persons occupying premises in contravention of the provisions of the Group Areas Act and (b) how many occupants had such alternative steps taken against them during the latest specified period for which information is available?

The MINISTER OF JUSTICE:

- (a) As indicated in my reply to Written Question No 221 on 11 August 1987 the alternative steps comprise of negotiations and the issuing of summonses and written notices to unlawful occupants to vacate. The nature of these steps are self-explanatory. Should such occupants as a result thereof vacate the premises concerned, the need to prosecute falls away.
- (b) The information is not readily available in the Department.

Telephones installed  
311. Mr J B DE R VAN GEND asked the Minister of Communications:

How many telephones were installed in the (a) (i) Witwatersrand, (ii) Durban, (iii) Cape Town, (iv) Port Elizabeth and (v) Bloemfontein areas and (b) Republic in 1987?

HOUSE OF ASSEMBLY

The MINISTER OF COMMUNICATIONS:

- (a) (i) 69 490,  
(ii) 19 801,  
(iii) 28 586,  
(iv) 3 541,  
(v) 4 007; and  
(b) 209 209

Note: The figures furnished represent the net additions to the telephone system and include extensions and miscellaneous services.

Post Office: permanent/temporary/casual and regular employees

312. Mr J B DE R VAN GEND asked the Minister of Communications:

How many (a) Whites, (b) Blacks, (c) Coloureds and (d) Indians employed by the Post Office are (i) permanent, (ii) temporary and (iii) casual and regular employees?

The MINISTER OF COMMUNICATIONS:

	(i)	(ii)	(iii)
(a)	48 742	3 224	2 082
(b)	5 243	212	23 452
(c)	3 767	51	8 221
(d)	2 070	17	179

Notes:

- (1) The above-mentioned figures reflect the position as at 31 December 1987.
- (2) The figures under (ii) represent persons employed in a temporary capacity against posts on the fixed establishment and include part-time employees so employed.
- (3) The regular employees included in the figure under (iii) consist of unskilled and semi-skilled persons taken into employment against specific posts.

Apprentices indentured

315. Mr J B DE R VAN GEND asked the Minister of Communications:

(a) How many (i) White, (ii) Asian, (iii) Coloured and (iv) Black apprentices were indentured to his Department, and (b) in which trades were they indentured, as at the latest specified date for which figures are available?

The MINISTER OF COMMUNICATIONS:

- (a) (i) 67, and  
(ii), (iii) and (iv) none; and  
(b) motor mechanic (12),  
diesel mechanic (7),  
painter/decorator (14),  
carpenter (22),  
welder (7),  
plumber (4), and  
panelbeater (1),  
as at 17 February 1988.

Learner telephone electricians: training completed

318. Mr J B DE R VAN GEND asked the Minister of Communications:

(a) How many (i) Coloured, (ii) Asian, (iii) White and (iv) Black learner telephone electricians completed their training in 1987 and (b) how many electricians in each race group are employed by his Department at present?

The MINISTER OF COMMUNICATIONS:

- (a) (i) 60  
(ii) 54  
(iii) 823  
(iv) 108, and  
(b) (i) 1 055  
(ii) 667  
(iii) 8 962, and  
(iv) 772

Note: The figures under (b) reflect the position on 31 December 1987 and include all electrician grades except learners.

Telephones: applications outstanding

319. Mr J B DE R VAN GEND asked the Minister of Communications:

How many applications for telephones were outstanding in (a) each departmental region, (b) Johannesburg, (c) Cape Town, (d) Durban, (e) Port Elizabeth, (f) East London, (g) Pretoria and (h) Soweto as at 31 December 1987?

The MINISTER OF COMMUNICATIONS:

- (a) Western Cape 11 634  
Eastern Cape 8 007  
Northern Transvaal 35 257  
Witwatersrand (including Soweto) 16 037

South Eastern Transvaal

34 103  
Orange Free State 10 401  
Northern Cape 1 266  
Natal 32 465

(b) Witwatersrand, excluding Soweto and the East Rand (separate statistics for Johannesburg are not available) 9 629

(c) Cape Town (Peninsula) 10 760

(d) Durban 16 522

(e) Port Elizabeth 5 531

(f) East London 970

(g) Pretoria 7 211 and

(h) Soweto 6 408

Post Office: postmen employed

320. Mr J B DE R VAN GEND asked the Minister of Communications:

(1) How many (a) White, (b) Coloured, (c) Asian and (d) Black postmen were employed by the Post Office in the latest specified year for which figures are available;

(2) whether the salary programme has yet reached the stage where the rate of pay is the same for postmen of all population groups; if not, (a) why not and (b) when is it anticipated that parity will be reached; if so, what are the respective rates?

The MINISTER OF COMMUNICATIONS:

(1) (a) 2 236;

(b) 1 169;

(c) 491; and

(d) 1 689,

as at 31 December 1987;

(2) yes;

Senior Postman: R9 990 × 690 – 12 750

Postman: R6 990 × 510 – 8 010 × 660 – 9 990 × 690 – 12 060

Lenasia/Soweto: telephones installed for private/business purposes

322. Mr J B DE R VAN GEND asked the Minister of Communications:

How many telephones were installed in 1987 in Lenasia and Soweto, respectively, for (a) private and (b) business purposes?

HOUSE OF ASSEMBLY

## April milk price hike for Queenstown consumers

Daily Dispatch Reporter

QUEENSTOWN. — The price of fresh milk will increase by between 7c and 8c here from April 1, the manager of the local branch of United Dairies Co-operative, Mr Mike Kingwill, said yesterday.

Mr Kingwill said the Milk Producers' Union had asked the United Dairies board for a milk price increase of 8c for producers.

The board decided that 8c for producers alone was not justified at this stage, but agreed to a 4c increase for producers with an increase of between 3c and 4c for the distributor as well, he said.

The reason for the distributor's share is annual cost increases, such as packaging, minimum wage adjustments and many more, which it has to meet.

Mr Kingwill said the board's policy for the past two years had been to have two small price adjustments annually rather than one big price hike.

Consumers could therefore expect another milk price increase later this year.

From April 1, the following increases would apply:

500 ml plastic bottle — 4c; one litre plastic bottle — 8c; two litre plastic jug — 14c; one litre sachet — 7c; home deliveries — 8c.

Mr Kingwill said milk delivered to the doorstep was a major saving as it was 14c a litre cheaper than the suggested retail price.

The colour of milk tokens will also change and residents would be advised of details shortly.

It was announced earlier this month that the price of milk in East London would increase by 10c a litre for home deliveries from April 1.

The manager of the East London branch of United Dairies Co-operative, Mr Tommie Barkhuizen, said yesterday that the price of milk sold in shops would increase by 8c a litre.

DID 2513188

3 milk

# Milk price increases: Govt may step in

By ANTHONY JOHNSON  
and CHARL DE VILLIERS

THE government yesterday threatened to reinstate price control over fresh milk after recent sharp rises.

The Minister of Agriculture, Mr Greyling Wentzel, expressed his "alarm" at recent increases — first announced by Dairy Belle on Monday and implemented on Tuesday — and said that fresh milk was a basic food-stuff and should therefore be "affordable to the general public".

Mr Wentzel said he had instructed the National Marketing Council and the Dairy Board "to advise me without delay" as to whether the latest rises were justified.

He would then decide on the possible reinstatement of price control.

Mr Wentzel said he had warned last year that he reserved the right to reintroduce controls over the maximum

price of fresh milk in the larger urban areas "should it become evident that distributors are introducing exorbitant increases".

The general manager of Dairy Belle in the Western Cape, Mr Jan Kotzé, said yesterday that the 8% increase was unavoidable. Animal-feed prices had pushed up the price of fresh milk in the Western Cape by five cents a litre.

The marketing manager of Cape Dairies, Mr Mike O'Connor, said he believed that it would be a "retrogressive step" if the government were to reimplement price controls. The "astronomical" cost of packaging, the increased sugar price and wage and electricity rises all contributed to increasing production costs, he said.

At present a retail chain like Pick 'n Pay sells a litre of Dairy Belle milk at 98 cents. Homestead milk sells at 94 cents and Bonnita milk at 98 cents.

8/1 day 7/13/88

MILK

# Milk price control back?

GERALD REILLY

PRETORIA — Agriculture Minister Greyling Wentzel has threatened to reimpose control on the price of fresh milk.

He said at the weekend he had asked the National Marketing Council and the Dairy Board to advise him as quickly as possible on whether the latest price increases were justified.

He would then decide on reinstatement of price control. Wentzel said he had noted with

alarm the recent price hikes in various areas.

He said he had warned last year he might reimpose control should it become clear the distributors were imposing exorbitant price hikes.

Control on fresh milk prices was lifted in June 1983.

Sapa reports from Cape Town that Dairy Belle has increased its milk price by about 8%.

# Why the taste <sup>1/10</sup> <sup>25/3/58</sup> changed

③ Milk &

Dairy

EAST LONDON — A new process for fresh milk had changed the taste slightly, the manager of a dairy here said yesterday.

Asked to comment on claims that milk bought in plastic bags now had a different flavour, Mr Tommie Barkhuizen of United Dairies Co-operative said that at the end of last month fresh milk was being both homogenised and pasteurised.

He said the homogenisation process caused all fat particles to be spread evenly throughout the milk, so you did not get the layer of fat.

He added that about one in ten people had noticed the difference.

# SA's big egg eaters are record beaters

Egg consumption, which has declined since 1982, increased to record levels last year.

According to the Egg Board's 1987 annual report tabled in Parliament last week, egg consumption in South Africa from July 1986 to June 1987 amounted to 6 735 000 cartons of 30 dozen eggs.

This is 2,5 percent higher than the previous record of 6 566 000 cartons in 1981/82.

Egg consumption increased

the most in the Transvaal (5,9 percent), followed by Eastern Cape (5,2 percent), Natal (4,5 percent) and Western Cape (2,1 percent).

Doctor E Brock, chairman of the board, attributed the increase to a number of factors:

- General improvement in economic conditions, particularly in the disposal income of lower income groups.
- Accelerated urbanisation.
- The rapidly increasing price

of red meat, resulting in changes of eating habits.

● A multi-pronged advertising campaign by the Egg Board.

Retail egg prices increased by 9,6 percent in the year under review — well below South Africa's inflation rate.

Mr Brock said world prices for grain, and, therefore, animal-feed prices, had been extremely low over the past two years, resulting in an expansion

of the world's egg-producing countries. Resultant world egg prices had been very low, with the Japanese market reaching its lowest recorded level during the summer of 1987.

Mr Brock warned that for South Africa, the world export market was becoming more and more uneconomical, while inflation in this country was running at 10 to 12 percent more than its trading partners.

③ per 10 milk

Star 15/2/88

DAIRY & MILK PRODUCTS .

1989

1989



# Milk carton pictures of girls raise hopes

THE nationwide distribution of milk cartons bearing the pictures of six missing girls has given new hope to the mothers of the youngsters.

The missing children are:

- Randburg teenager Tracy Lee Scott Crossley, last seen at Randburg Cresta Centre on August 1 last year.
- Maritzburg's 11-year-old Fiona Harvey who disappeared on December 22 last year.

## Boarded bakkie

- Joan Horn (12) who apparently got into a bakkie with a blonde woman near Quthaga shopping centre in Pretoria West on June 7 this year.
- Twelve-year-olds Odette Boucher and her friend, Anne Marie Wapenaar, who went missing from their Kempton Park homes on September 22 this year.
- Another classmate of the two girls, 13-year-old Yolande Wessels (12), who was last seen talking to a blonde woman in a Kempton Park cafe on November 3.

## HELEN GRANGE and PAT DEVEREAUX

This week's cartons bear the pictures of Yolanda Wessels (13) of Kempton Park and Joan Horn (12) of Pretoria.

The other four will appear two at a time on future cartons. The pictures will change after the distribution of every two million cartons.

Launched by the SA Police in conjunction with the National Co-operative Dairies and a major supermarket chain, the project aims to alert the entire South African population to the search — hopefully with some results.

For the parents of the children, this new initiative has brought new hope that their girls will be returned safely to them, ending months of misery and anxiety.

Police have already distributed posters with the girls' photographs in public buildings countrywide — and at borders — but have been unable to crack the mystery of the girls' disappearance.

Mrs Linette Boucher, whose daughter, Odette, has been missing for three months,

said yesterday she was confident police would solve the mystery.

"I believe the milk cartons project will succeed. It has proved to be very successful overseas in the search for missing people. Someone somewhere will know something," she said.

## Shares hope

Mrs Kobie Wapenaar, mother of Annemarie, shared this hope.

"It will definitely help. I have always been confident my daughter will return, but this project will help greatly.

"The cartons will be seen on nearly every table in the country, but only the almighty God can bring back my daughter. God is the only real hope. Yolanda is a lovely girl and she knows God. We know she will return safely to us one day," said Mrs Babs Wessels, Yolanda's mother.

Mr Paul Scott-Crossley, father of Tracy Lee Scott-Crossley (14), who was last seen on August 1 last year, said that parents of the missing children believed there were many simi-

larities in the disappearances. *Star 30/12/89*

"Firstly their age group — all the children are between 11 and 15 years old, the girls all have similar blonde features and they all disappeared mysteriously and have not been seen again. In some cases, some of the children have been spotted speaking to a blonde woman or getting into a vehicle with a blonde woman.

"As parents we are mounting pressure on the police to investigate the links in these cases," said Mr Scott-Crossley.

This week police liaison officer Major Reg Crewe scotched rumours that the police search for the missing children had moved abroad.

"Police have distributed hundreds of pamphlets carrying photographs of the children at airports and harbours and some of these may have been taken abroad," said Captain Crewe.

However, he added that investigators did not believe the children were victims of a child-slave prostitution ring smuggling children out of the country.

*(3) Dawn & well*

Dairy + Milk

3 B/Dag 15/11/89

## Milk demand will soar 30% by 2000

GERALD REILLY

PRETORIA — The rapidly growing black population and increased urbanisation will send demand for milk soaring 30% to about 2,25 million tons a year by the close of the century.

At the Dairy Farmer of the Year function in Roodepoort last night Agriculture Development Minister Kraal van Niekerk said the industry should not plan only in terms of the SA market.

The needs of neighbouring territories should be taken into account. "The total population of these countries is expected to increase to more than 67-million by the year 2000 — an increase of 63%."

The traditional supply of surplus dairy products from Europe and the UK to African states had declined substantially, Van Niekerk said.

Surpluses of butter and skimmed milk powder in the EC countries were something of the past.

# Higher rates put damper on industrialists' outlook

B/Dag 15/11/89

KAY TURVEY

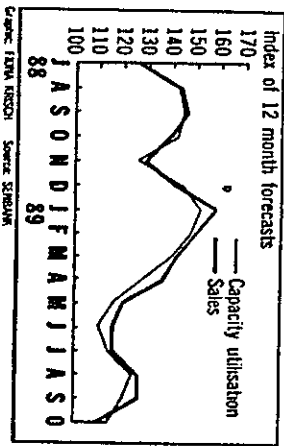
HIGHER interest rates introduced last month put a damper on the outlook of industrialists, according to the latest Federated Chamber of Industries (FCI) survey.

But in spite of indications economic conditions will be tough in the year ahead, sentiments are buoyed by a more positive socio-economic outlook, FCI economist Roelof Botha says.

The FCI's indices for expected sales levels supports forecasts for real economic growth of 1,5% to 2% for 1989, he says.

Ahead of the seasonal slowdown expected for November, positive influences should emanate from a higher

Manufacturing sales and capacity utilisation



gold price and signs that government is set to introduce tax relief and provide greater clarity in regard to the import surcharge and its export promotion policies. FCI's survey of expectations among

more than 300 MDS of manufacturing units shows the index of expected sales over the next 12 months falling to the lowest level since the survey was launched in July last year.

At 110, it remains on the optimistic side of the 100 border between optimism and pessimism.

The level of expected capacity utilisation remains above that of sales, possibly as manufacturers build up stock ahead of the Christmas shutdown.

If such a trend continues, it could indicate manufacturers are gearing up for an increase in consumer demand next year on the view that interest rates have peaked.

This is aligned to current economic forecasts of a prime rate of 17% to 18% by the end of next year.

# Municipal workers demand answers on privatisation

B/Dag 15/11/89 ALAN FINE

THE SA Association of Municipal Employees (Saame), which represents 45 000 whites employees of local authorities in SA, yesterday demanded access to government's privatisation plans for municipal services.

Newly-elected Saame president Hans Deetlefs said the association sought assurances on the effects of privatisation on employment policies and on the quality of services.

He said government's plans could not succeed "without the stabilising influence of Saame participation."

Deetlefs pointed to concerns Saame had about employees' job security, their employment benefits, union rights, and about the standard of privatised services.

If employees' fears were not allayed

this could lead to "a rush towards militant unions".

He said if the system in terms of which municipalities were graded was not changed this could lead to a downgrading of municipalities and consequent negative effects on employees' earnings and benefits — and possible mass resignations of employees.

Deetlefs said Saame also expected clear and honest answers on whether

privatisation offered benefits for taxpayers, how cost-effective privatised services could be, whether services rendered would be of the same standard as those of local authorities and whether effective costing would be done regularly.

Comment has been requested from the council examining municipal privatisation.

# Management buys out cream of dairy firms

IN A multi-million-rand management buyout Nels-Bliss Dairy MD Martin Louber has acquired one of the country's largest independent dairies from the Nels family in a deal financed by Standard Merchant Bank (SMB).

Nels-Bliss is involved in the manufacture and distribution of milk and related dairy products and is known for its battery-operated delivery vehicles, which do daily deliveries to more than 30 000 homes in the greater Johannesburg area.

KAY TURVEY

Louber, who has been with Nels-Bliss for more than 20 years, said he was pleased to now own a business, he knew so well.

About 260 farmers in the eastern Transvaal and Free State supply Nels-Bliss with milk which is pasteurised and bottled in its Victory Park dairy.

The company's trademarks Nels, Bliss yoghurt and Country Pasture Products are

household names in major centres throughout SA.

SMB has retained a stake in the company. The deal follows hard on the heels of the bank's involvement in the buyout of Freshmark, Checkers' fresh produce division.

Nels-Bliss is one of the largest privately owned dairies in SA, as it is not part of the NCD co-op or Barlow Rand group's Dairybelle.

# Butter vs margine battle is on again

CME-79/5  
23/10/89  
3 days

Staff Reporter

THE dairy industry has fired the first salvo in a renewed butter-vs-margarine controversy with a full-page advertisement in Sunday newspapers which declares: "Polyunsaturates and heart death: New facts".

The advertisement does not attack margarine manufacturers directly, but does refer to the merits of "polyunsaturated low-fat spreads" after a report from leading scientists at Cambridge University.

"It now seems that a number of leading scientists believe that 'polyunsaturated fats, of the kind usually found in the low-fat spreads used to replace butter, are more likely than some other fats to cause atherosclerosis — the furring-up of blood vessel walls'.

"According to the report, it now seems that olive oil, butter and butter-based spread — all richer in mono-unsaturates — may be less risky than polyunsaturated low-fat spreads," the advertisement states.

The report was highlighted on the front page of the London Sunday Times early last month under the headline: Scientists do an about-turn over polyunsaturates.

According to that article, a team at Cambridge's department of clinical pharmacology has concluded that people who eat large amounts of po-

lyunsaturates, hoping for protection from heart disease, may be putting themselves at increased risk.

Professor Morris Brown, who headed the Cambridge team, said it now seemed the best bet for a healthy diet was more mono-unsaturated fats.

Butter was 29% mono-unsaturated, compared with 12% for polyunsaturated-enriched margarines.

Professor Louis de Villiers, formerly of the Department of Chemical Pathology at the University of Pretoria, told the Cape Times he and colleague Professor Willem Serfontein backed the findings in their book "Your Heart — the Unrefined Facts".

"All studies show the total number of deaths as a result of heart disease have not decreased with the introduction of polyunsaturates. In other words, there were other causes of death which must have been due to diet."

Prof de Villiers said butter and milk had been used as a natural food for centuries and that it was more likely the refinement process of food that had contributed to an increase in the number of deaths from heart disease.

"Canning and blanching of foods, the addition of preservatives, and even refrigeration to a certain extent, have all led to a decrease in natural vitamins and minerals in the diet," he said.

## Schach wins theatre award

Staff Reporter

THE Baxter 200 award for artistic achievement was presented last night to theatre personality Leonard Schach at the annual gala evening of the Baxter 200, a group of business people who have given financial support to the theatre.

The award to Schach was to mark his 50 years in theatre and "specifically in recognition of his important contribution to the Baxter Theatre at UCT".

The award was presented by Dr Dulcie Howes, former head of the UCT ballet.

# Forces join to attack dairy claim

CAE Tent's  
26/10/89  
3 DAILY

By DI CAELERS

THE Heart Foundation and the South African Margarine Association have joined forces to hit back at the dairy industry, saying weekend advertisements were "irresponsible" and "not in the interests of public health".

The Margarine Association is currently seeking legal advice and the Heart Foundation is to publish its own advertisements at the weekend in this regard.

The attack follows the dairy industry's full-page advertisement questioning the merits of "polyunsaturated low-fat spreads" after a report from leading scientists at Cambridge University.

The university's Professor Morris Brown, who was quoted in a London Sunday Times article which formed the basis of the advertisement, had publicly dissociated himself from that article, the Margarine Association said in a statement yesterday.

"We are sure that the Dairy Industry must have been aware of Prof Brown's rebuttal and are seeking legal advice in this matter.

"In a country such as South Africa which has an appalling record of

heart disease death rate, it is thoroughly reprehensible to launch a campaign based on public misinformation."

Ms Rika de Ruiter, national director of the Heart Foundation, said her organisation's advice and information for the public was "always checked by every scientist possible and in line with other international heart foundations and world health organisations.

"In the interests of heart health in South Africa, it is sad that those who have misled the consumer are in fact those who have a profit to make from them.

"It is quite irresponsible and not in the interests of general health to confuse the public."

She said the foundation's planned advertisements were "not sensational and will present the facts".

In an article in the General Practitioner, a British medical publication, Prof Brown said: "I was quite amazed to see what I thought was a serious interview sensationalised. Claims that polyunsaturates are harmful are almost totally unsubstantiated.

"What upset me was that there was no line drawn in the (London) Sunday Times article between the work we have done here and pure hypothesis."

## Police give rape robbery statistics

Crime Reporter

DURING the first six months of the year, 31 people over the age of 50 were murdered at their homes in white residential areas, while 14 were raped, 115 robbed and 35 assaulted, according to police.

The police statement, which disclosed figures for the entire country, was released yesterday to coincide with a police safety seminar for senior citizens held at Disa Place in Gardens.

Most of the attacks took place between 6am and 7pm, with the intruder mostly gaining entry to the home through open doors or windows. Intruders also forced entry and forced their way into homes.

The police statistics also showed that only six people under the age of 49 were murdered at their homes in white residential areas during the same period.

However, more people under the age of 49 were raped at their homes during the same period (34 rapes as opposed to 14 for the older citizens).

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## Shortage of butter until October

The general manager of the Dairy Board, Mr Ed Roux, says the shortage of butter will continue until the end of October.

The country-wide shortage of butter has been caused by a lack of skimmed milk, which manu-

facturers are apparently using for cheese products rather than butter.

Mr Roux said small volumes of butter were being imported but he warned that the imports would inevitably lead to higher prices. — Sapa.

(3) Dairy milk  
Govt approves  
butter imports  
of 1 000 tons

BUSI

GERALD REILLY

PRETORIA — Government has approved the importation of 1 000 tons of butter to alleviate an acute local shortage. 31 Oct 1989

Import permits up to this amount have been issued to butter manufacturers by the Dairy Board.

However, a spokesman said there was a world shortage of milk and consequently of butter, and the depressed value of the rand added to the heavy importation costs.

The shortage is expected to be relieved soon after the spring and early summer rains — “but don't forget it does not rain grass”, so the shortage could last deep into the second half of the year.

Meanwhile, Checkers Group MD Clive Weil said that the national butter shortage continued while manufacturers battled to find suppliers of milk powder.

The main reason for the shortage was the big drop in skim milk production, but manufacturers had been unable to import from Europe because of high costs, Weil said.

The landed cost of European butter was R2/kg more than local products.

□ The Meat Board will spend R60m this year on imported beef, GM Pieter Coetzee said yesterday.

In all a total of 22 000-tons would be imported.

To be added to this was a 9 000-ton carry-over from last year's imports of 44 000-tons.

Coetzee said the meat mountain that peaked in Europe at the end of last year with 380 000-tons had shrunk to less than 100 000-tons because of heavy buying, mainly by Brazil and Russia.

Coetzee said all the imported beef this year would be sold to the manufacturing industry.

Prices he said had been relatively stable this year, increasing by only 2,4% since last December.

# 'Dairy industry has crossed Rubicon'

810am  
28/9/84  
GERALD REILLY 3  
with

PRETORIA — The SA agricultural industry had reached its Rubicon and had crossed it with government's declared market-related dispensation, Agriculture and Water Affairs Minister Kraai van Niekerk said in Johannesburg yesterday.

Speaking at the National Dairy Producers Conference, he said in spite of the fact that the industry contributed only 6% to GDP it had a key role to play in supplying adequate food for a fast growing population, which would reach 47-million by the year 2000.

Van Niekerk said the dairy industry contributed 8% to the gross agricultural income — about R1bn a year. The secondary industry had become an industrial giant and a major player in the creation of a stable primary industry.



## Follow my leader likely on milk increase

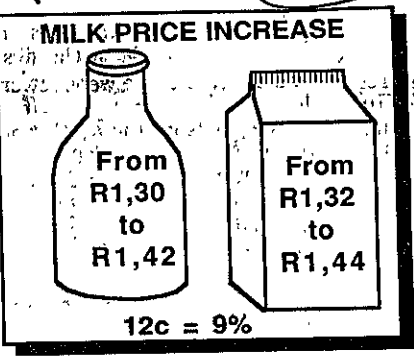
Staff Reporter

3 Dairy & milk

At least one major dairy has increased the price of milk by 12 cents a litre — about nine percent — from Monday, and others are expected to follow.

This is the second increase by major dairies in three months. An increase of 15 percent was imposed only a month ago.

Dairybelle increased its prices as a result of increases by dairy farmers as well as higher packaging and distribution costs, said managing director Mr Roy Smither. The Consumer Council said yesterday it was "lamentable" consumers always had to face the bill.



# Milk goes up

*Sowetan 10/8/89*  
AT LEAST one major dairy has increased the price of milk by 12 cents a litre, about nine percent from Monday, and others are expected to follow. *(2) Dairy Milk*

This is the second increase by major dairies in three months. An increase of 15 percent was imposed only a month ago.

Dairy & Milk

3

# No butter

South Africa is presently experiencing a nationwide shortage of butter, the general manager of the Dairy Board, Mr Edu Roux, has announced.

Roux said consumers who "like to butter their bread" were having a hard time finding supplies of this dairy product. *Sowetan 25/8/57*

"The dairy industry was full of peculiarities. Butter is a by-product of skim milk powder. We have more skim milk than we need because consumption is low but with butter consumption is high," said Roux.

He said although the Dairy Board did not control the flow and availability of butter as manufacturers handled this themselves, they were involved in the crisis.

Roux said: "We have sent faxes to the local manufacturers to get more information about the situation. We have also taken action to import butter, which is very expensive, but the world market is suffering its own shortage."

He said the chronic situation of no butter on supermarket shelves had occurred over the last two weeks but supplies had been scarce for longer.

Deputy managing director of the Checkers group of supermarkets, Mr Sergio Martinengo, said they were getting supplies but only in limited quantities. "There has been no indication of when it will get better," he said.

By Paula Fray  
and Debbie Smith

## Supermarket fights rise in price of milk

Star 11/2/87

A leading supermarket chain has vowed to fight "tooth and nail" against a possible 10c increase in the milk price being negotiated between distributors and producers.

The managing director of Dairybelle, Mr Roy Smither, said yesterday that late January was the traditional time to hold talks on possible increases and that an increase in the milk price was inevitable.

However, Dr CP

Lerm, head of communications and marketing at the South African Dairy Association, said it was unlikely all dairies would raise their prices at the same time because of competition.

A spokesman from Checkers said they had been approached by Clover and Dairybelle who were asking for an increase of between 10c

and 12c a litre

She said they were fighting "tooth and nail" against the increase as the last increase of 12c had been instituted in November last year.

Mr Smither said the milk industry had a very fine profit margin and it was not possible for the producers to absorb all the increases.

Dr Lerm said a survey conducted in the Witwatersrand, Cape Town and Maritzburg early in January had shown that the price for one litre cartons ranged between 99c and R1,55 and sachets between 98c and R1,39.

Mrs Betty Hirzel, the Consumer Union representative on the Dairy Board, said the increase was inevitable but that there should be no collusion between the various distributors.

"The increase must be spread over a period of time," she said.

selling prices. This tendency has negative implications for producer prices whenever large quantities are exported.

All the other commodities mentioned are realizing profitable export prices.

- (3) (a) In respect of maize and wheat the effect of surpluses on producer prices is somewhat neutralised by the domestic selling prices. In addition, assistance is given to the Maize Board to subsidise maize prices. In respect of the wheat industry assistance is given by way of a bread subsidy which enhances local sales of wheat.
- (b) In respect of maize and wheat the government introduced measures to financially assist those producers who wish to change over to other farming enterprises. In the grain producing areas concerned, the establishment of pastures on land previously used for growing grains is being subsidised. In addition certain maize and wheat farmers are also receiving financing aid for this purpose.

Milk price increases

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

(a) What was the producer's price of (i) milk and (ii) industrial milk as at 31 December 1988 and (b) what price increases came into effect in respect of each category (i) in 1988 and (ii) subsequent to 31 December 1988?

B414E

Section	(a)	(i)	(ii)	(b)
47(2)	8	6	6	14

(2) Yes, but only in respect of the categories "publications or objects" and "films". Particulars are as follows:

Publications or Objects	Films	Publications or Objects	Films
(a)	(i)	(b)	(a)
(i)	21	4	—
(ii)	11	—	—
(b)	35	—	—
(i)	415	5	—
(ii)	—	—	—

182. Mr S S VAN DER MERWE asked the Minister of Home Affairs:

(1) How many items were declared undesirable in 1988 in terms of section 47(2)(a), (b), (c), (d), (e) and (f), respectively, of the Publications Act, No 42 of 1974;

(2) whether any appeals were lodged against decisions to declare any such items undesirable; if so, how many cases in respect of each of the categories referred to in section 47(2) of the said Act (a) had been (i) upheld and (ii) dismissed and (b) were pending as at 31 December 1988?

183. Mr S S VAN DER MERWE asked the Minister of Home Affairs

(1) How many applications for (a) new, and (b) the renewal of, visas were received

from foreign media representatives in 1988;

- (2) how many such applications (a) had been (i) granted and (ii) refused and (b) were pending as at 31 December 1988;
- (3) what was the average time taken before such applications were decided upon?

The MINISTER OF HOME AFFAIRS:

(1) (a) 898 of which 101 applications were withdrawn.

(b) 154 of which 2 were withdrawn.

(2) Statistics on the basis required are unfortunately not available. The applications not finalised during 1987 and therefore carried over to 1988 are included in the following figures which are given for the purpose of the reply:

	Carried over from 1987	(a)(i)	(ii)	(b)
New applications	84	556	182	143
Renewal applications	18	155	5	10

(3) It took on average 19 working days in respect of new applications and 13 working days in the case of renewal applications to finalise the respective applications.

Export and import of wheat

190. Dr F HARTZENBERG asked the Minister of Agriculture:

- (1) Whether the Wheat Board exported any wheat in recent years; if so, (a) how many tons, (b) what was the value thereof, and (c) on what date, in each case;
- (2) whether the Wheat Board imported any wheat in recent years; if so, (a) how many tons, (b) what was the value thereof, and (c) on what date, in each case;
- (3) whether any losses were suffered on the importation of such wheat; if so, what (a) was the extent of and (b) were the reasons for each of these losses?

B438E

The MINISTER OF AGRICULTURE:

(1) Yes.	(a)	(b)	(c)
86 386 tons	R23 623 603	1 Oct. 1984—30 Sept. 1985.	—
26 673 tons	R 8 798 362	1 Oct. 1985—30 Sept. 1986.	—
19 622 tons	R 7 345 286	1 Oct. 1986—30 Sept. 1987.	—
235 982 tons	R62 770 855	1 Oct. 1987—30 Sept. 1988.	—

- (2) Yes, (a) 312 723 ton, (b) R101 462 000, and (c) June to September 1986;
- (3) No.

South African citizenship regained by Blacks

225. Mr S S VAN DER MERWE asked the Minister of Home Affairs:

- (1) How many Blacks in each independent Black state regained their South African citizenship in 1988 in terms of the provisions of the (a) National States Citizenship Amendment Act, No 13 of 1978, and (b) Restoration of South African Citizenship Act, No 73 of 1986;
- (2) whether any applications were refused; if so, (a) how many from each state, and (b) why, in each case?

The MINISTER OF HOME AFFAIRS:

- (1) (a) Owing to the provisions of the Restoration of South African Citizenship Act, 1986 (Act 73 of 1986), which came into effect on 1 July 1986, no Black of any of the independent states applied in terms of section 3 of the National States Citizenship Act, 1970 (Act 26 of 1970), as amended by the National States Citizenship Amendment Act, 1978 (Act 13 of 1978) for South African citizenship during 1988.
- (b) Statistics on the bases as required by the hon member are not available.
- (2) (a) and (b) Fall away.

B510E

# Homestead Dairy plans to enlarge market share

CMT-TM 10/6/89 out + 3 milk

By AUDREY D'ANGELO  
Financial Editor

**THE HOMESTEAD INDEPENDENT DAIRY** — which re-introduced competition into the dairy market in Greater Cape Town when it started up in July 1987 — has more than doubled its capacity by spending R750 000 on new equipment and enlarging its premises.

But although it intends to enlarge its market share, MD John Jacobs said yesterday that it would continue, as at present, to supply only one of the big supermarket chains.

Its expansion will be among corner cafes and the informal sphaza shops which supply Cape Town's growing black community.

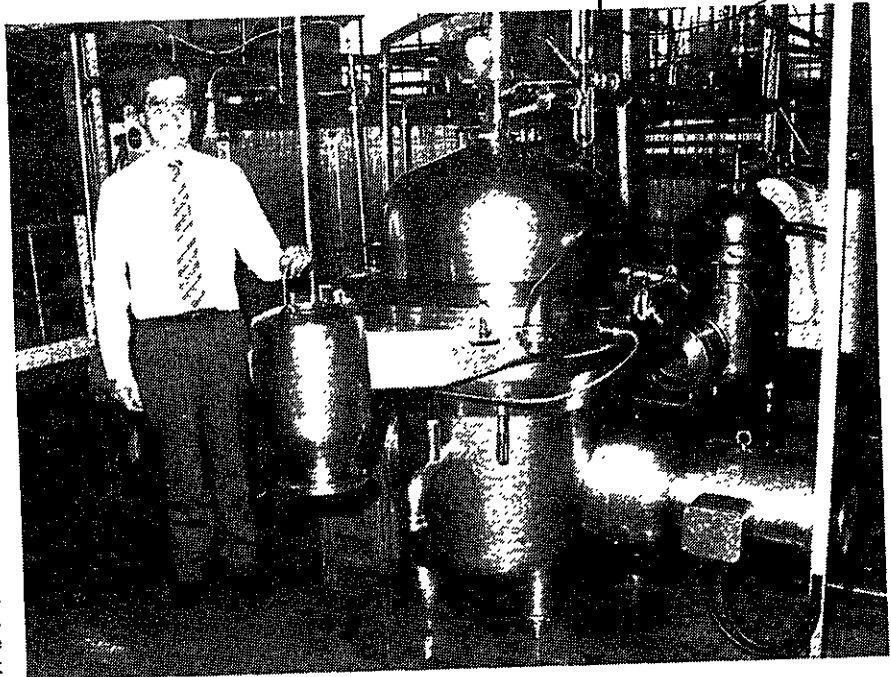
"We already supply Michael Mjwambi, trading as Nyanga Dairy, which in spite of its name delivers mostly in Khayelitsha and Guguletu," he said.

"This is still part of the informal sector. But it is growing so rapidly that it will soon have to become a formal business."

Explaining why Homestead has just spent R390 000 on technically advanced machinery from West Germany, Jacobs said: "We started off with plant geared to process 40 000 l a day, supplied by four local farmers.

"We estimated that this would see us through the first two years but demand grew so great that six months later we were working overtime to push capacity to more than 50 000 l a day and we now have nine suppliers.

"We are currently producing 80 000 l a day, with our new equipment, and have a capacity of 120 000 l a day which should be enough for a considerable time to come."



John Jacobs, MD of Homestead Independent Dairy, with its newly imported R125 000 automatic separator. This is among new equipment which has increased production capacity to 120 000 l a day from nearly 60 000 l.

The most expensive items of new equipment are a fully automatic pasteurizer and separator, each costing R125 000, which process 15 000 l an hour. Additional yoghurt and cheese fillers, also from West Germany, cost R70 000 each.

To accommodate the new equipment, Homestead has increased production space by 700 m<sup>2</sup> and is building a new storeroom and workshop.

New drainage channelling, loading platforms and conveyors have brought the total cost of the expansion to R750 000.

Pick 'n Pay is still the only supermarket chain Homestead supplies.

Jacobs said yesterday that although he had been approached by the other major chains: "I don't think it would be to Homestead's

benefit to supply more than one.

"All the supermarket chains would want deliveries at the same time, first thing in the morning, and if we put on a promotion at one, all the others would want it.

"Although we expect to increase our market share this will be among the small retailers including the sphaza shops which we see as an important growth market."

Before the advent of Homestead, the existing dairies divided greater Cape Town into different zones, each supplying its own.

Supermarkets and other retailers complained that this meant there was no competition and it was impossible to negotiate on prices.

Homestead's entry to the market ended the zoning agreement and now there is a choice of products in all areas.

<sup>3</sup> Dairy milk  
21/7/59  
**Milk price goes up again**

DAIRIES on the Witwatersrand have increased their milk prices by about 15%, taking the cost of a litre to R1,40.

The rise is ascribed to higher petrol prices and increased packaging costs.

Nels Dairies, which increased their prices by 5c a litre last month, said there would be no more price adjustments for some time. — Sapa.

# Sugar, dairy products to cost more

Staff Reporter <sup>dairy</sup> 3 <sup>mult</sup>

The price of sugar is to rise by 4 percent from August 1.

The increase, which is expected to cause a ripple effect on all sugar-based products, was one of two increases announced in the Government Gazette in December last year. The first, a 7 percent increase, came into effect in February this year.

Mr Sergio Martinengo, deputy managing director of Checkers, said his group would continue to sell at the old price "for as long as our old stocks last".

He added, however, that increases in the prices of sugar-based products, such as sweets and cold drinks, could be expected.

Dairy products price increases are also expected soon.

Dr MN Herman, a spokesman for the NCD group, said increases in the costs of plastic and other packaging materials had forced increases in the price of most dairy products.

"Farmers also need the increase, especially when we consider how much feeding and transport costs have risen."

Dr Herman said the increases — which vary between seven and 10 percent, will affect dairy products in general.



AGRICULTURE - DAIRY + MILK PRODUCTS

1991

Jan - Dec



# Struggling farmers criticise milk levy

*20/11/91*  
*3 MILK*  
*Staff*  
*3/11/91*

Staff Reporter

A levy imposed by the Dairy Board on milk distributors and passed on to dairy farmers has drawn criticism from farmers who say they cannot cope with the extra cost.

The Dairy Board imposed a 1,9c levy, effective from December 10, on every litre of milk bought by distributors.

For a dairy farmer near Alberton, who sells up to 60 000 litres of milk a month, this means he gets about R1 200 a month less for his product.

The farmer, who insisted on remaining anonymous for fear of victimisation, said: "The Dairy Board is doing nothing to help farmers. We are sitting in one of the worst droughts in living memory and we can't afford this levy.

"I have no feed left for my cattle and we have had no rain to bring our crops up. We are paying more for everything, yet we are getting less for our product. It is becoming uneconomic to produce milk. The time will come when there will be no milk left in Johannesburg."

Dairy Board assistant general manager marketing and communications, Dr Chris Lerm, said there was a large dairy product surplus throughout the country at present. The only way to reduce the surplus was to turn milk into cheese and milk powder for export.

"The board needs to finance the export of surplus products to protect farmers. Otherwise buyers could stop certain routes during the surplus, as happened in September last year."

Dr Lerm said it was up to the distributor to decide whether or not to pass on the levy increase on to the dairy farmer.

"There is such a fight in the market place and prices are so low, that milk buyers are making almost no profit at all."

Dr Lerm said the situation would be reevaluated in time.

## NCD pricing 'might be predatory'

NATIONAL Co-operative Dairies (NCD) might be employing predatory pricing tactics to eliminate its competition, Competition Board chairman Pierre Brooks said yesterday.

William Hyslop of Howick-based Lagan Dairy, one of the three major independents, confirmed he would be submitting a formal complaint to the board although he was doubtful of his chances against the 15 000-member NCD.

Brooks said prima facie evidence indicated predatory pricing was being practised. He was reacting to a report in Business Day which stated that NCD had cut milk prices in those areas of Natal

GILLIAN HAYNE

where the independent dairies were in direct competition. (3) Dairy Milk

Brooks said in many organisations prices differed according to the area.

"However, if we find the prices differ within one geographical area, or within a certain radius of the depots, for example, the independents could have a case."

Although NCD was unavailable for comment yesterday, it is on record as having explained its tactics as being pricing "specials" because of the large milk surplus.

610 4/1191

# Milk producers angry over levy by Dairy Board

The Argus Correspondent

JOHANNESBURG. — A levy imposed by the Dairy Board on milk distributors and passed on to dairy farmers has drawn criticism from farmers who say they cannot cope with the extra cost.

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"I have no feed left for my cattle and we have had no rain to bring our crops up. We are paying more for everything, yet we are getting less for our product."

## LARGE SURPLUS

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## Milk war spills over into the Transvaal

8/10 am  
7/11/91  
GILLIAN HAYNE

THE milk war between National Cooperative Dairies (NCD) and independent distributors in Natal has spread to the Transvaal, with NCD undercutting prices in areas predominantly supplied by the independent milk distributors.

Over the Christmas period NCD, selling under the trade name Clover, dropped its milk price by more than 15c to 90c/l to some of the independents' major customers, a spokesman for one of the independents said at the weekend. This price compares with independents' price of R1,05/l.

A spokesman for a Spar supermarket in Sandton, which is supplied by the independent Douglasdale Dairy, said it had been "bombarded by specials from NCD" in the past two months.

Douglasdale Dairy spokesman Brian Matthews said: "We are unable to meet the price of 90c/l because it is far below our cost price."

NCD has apparently been selling milk at special prices because of the large milk surplus. (3) Dairy + Milk

One source said the surplus was created by NCD because it had bought more milk than was needed for its own requirements at prices higher than the market average.

Another independent distributor said it was time to stand up to NCD. "We could not retaliate over the holiday season because of manpower shortages, but we have seven new trucks and are going to start playing them at their own game in their

□ To Page 2

## Milk war

own areas from next week."

No comment was available from NCD yesterday.

Competition Board chairman Pierre Brooks has said there was prima facie evidence that NCD might be employing predatory pricing tactics in Natal. The board would investigate a formal complaint by William Hyslop of Howick-based

(3) Dairy + Milk □ From Page 1

Laggan Dairy, and any other complaints.

Sapa reports that Ina Wilken of the Consumer Council said on Friday the difference between the producers' price for milk and the retail price "leaves distributors and sellers much room to supply this essential food product drastically cheaper to the public".

● Comment: Page 6

# Natal's milk war spreads to Transvaal

Cam-Tent

7/1/91

3 milk

Own Correspondent

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No comment was available from NCD yesterday.

Competition Board chairman Mr Pierre Brooks has said there was prima facie evidence that NCD might be employing predatory pricing tactics in Natal. The board would investigate a formal complaint by Mr William Hyslop of the Howick-based Laggan Dairy, and any other complaints.

# Taxpayers shell out R228m to subsidise exports of surplus dairy products

THE taxpayer will pay about R288m this year and next to subsidise surplus dairy products, which will be exported at a massive loss.

The R288m represents the extent of a subsidy government pays to the dairy industry, which exports skim milk powder and butter at a kilogram while the production cost is nearly R8/kg.

Independent distributors blame National Co-operative Dairies (NCD) for the surplus. The 15,000-member distributor represents small farmers and undertakes to sell their milk.

Until April 1987 distributors could buy milk only through the Dairy Board unless it was classified as "industrial" milk.

In 1987 NCD began to buy milk directly from farmers through its factories. "Overnight NCD increased its purchase price from about 36c/l — the government-controlled price — to 56c/l. Farmers had never had it so good and soon the Dairy Board was left with no milk with which to supply us independents," one source said.

NCD purchased milk "way beyond its own requirements" and kept "pushing the price up" every six months. "There was absolutely no consideration for the consum-

GILLIAN HAYNE

er," one source said. A year later the Dairy Board sent out a circular stating that it remained illegal for distributors in controlled fresh milk areas to purchase milk directly from producers, but no action was taken against NCD.

In 1989 a surplus accumulated. To help maintain the local price, government undertook to dispose of the surplus by exporting it as milk powder and butter.

Government initially agreed to purchase, through the Dairy Board, 8 000 tons of surplus skim milk powder and 3 000 tons

of surplus butter for export, but in December the Dairy Board reported that a further surplus of about 4 476 tons of skim milk powder and 3 922 tons of butter could be expected by this February, which will increase to 20 200 tons skim milk powder and 8 861 tons of butter by February 1992.

Last month the Dairy Board scrapped the legislated 40c/l floor price, following a recommendation by NCD, which then began lowering prices to producers, with some prices allegedly falling to 19c/l.

Dairy Board GM Eddie Roux would not comment yesterday on what steps the

board would take to curb the surplus.

NCD's Natal GM Eric Hornby said the situation had been blown out of proportion. No further comment was available.

One NCD member said he was concerned about the co-operative's future as its trading loss — about R11m — was so high that there seemed little hope of repaying its debts.

Another NCD member in Natal said the co-operative had paid her a steady 68c/l until, in December, without warning, it decreased to 62c/l. "At 62c/l I can't break even," she said.

dairy products



(3) Dairy Milk  
**Dropping  
 milk price  
 'will not  
 up sales'**

Star 9/11/91  
 By Paula Fray  
 Consumer Reporter

Lowering the price of milk would not necessarily mean an increase in sales, says Dairy Board general manager Eddie Roux.

Mr Roux was responding to a statement from the Consumer Council that consumers would buy more milk and dairy products if retail prices were reduced. This, in turn, would help eliminate the present milk surplus.

According to sources in the industry, prices of some products are so low that "no one is making a profit".

Mr Roux said there had been a surplus of milk for the past 15 months. There had also been price reductions on the local market while some of the surplus milk was exported in the form of powdered skim milk and butter.

The butter and powdered milk were being exported at a loss as international prices were lower, he said.

Mr Roux denied that taxpayers were paying for the export of these products, saying the money came from the levies received from distributors.

In the current financial year the cost of exporting the surplus milk in the form of butter and skim milk was R30 million, Mr Roux said.

In theory, reducing the price would mean an increased demand for milk. But this was not necessarily true in practice. According to Mr Roux, the milk price was relatively inelastic.

Asked about the price wars in Natal and certain other areas, Mr Roux said the milk industry operated in a free market. He denied that any one dairy monopolised the industry.

## Chaos breaks out in world markets

ANDREW GILL

MAYHEM broke out in world markets yesterday as peace prospects soared and then plummeted, sending them on a hectic rollercoaster ride.

Gold fell \$12 in New York to \$377.25/oz and then rocketed more than \$10 to close at \$391.05 after US Secretary of State James Baker said talks with Iraqi Foreign Minister Tariq Aziz had failed.

Trading virtually stopped as dealers awaited news of Baker's media conference and found themselves hastily reversing positions as the news broke.

February Brent crude gained almost \$2 to above \$28 after losing more than \$3 a barrel to \$22.40 in New York when markets took heart from what they perceived to be a fruitful meeting.

News that Aziz had agreed to meet EC ministers in Algiers and a rumour that Iraq had proposed a conditional phased withdrawal from Kuwait sparked heavy selling of gold and dollars.

The dollar regained the day's heavy losses after falling three pfennigs against the mark to DM1.51 and climbing back to DM1.5345.

The Dow Jones Industrial average, which climbed 1.5% before Baker's comments, fell eight points to 2501, while European markets gained, with London's FTSE-100 index ending 1.5% up.

Frankfurt's DAX index finished 1.6% up. A trader told Reuter: "This is nothing but speculation. Prices are being pushed up by traders whose view of time is about three minutes and whose view of long term is three days."

Analysts said earlier war was likely to push gold up for a short period, but that the resulting slackening in world growth would take its toll with decreased jewellery demand.

Middle Eastern buying has apparently diminished. On Tuesday the Jeddah Bank was rumoured to have sold large amounts of gold at the higher prices. Soviet forward selling was also said to be a factor.

On the JSE the overall index ended six points off at 2689 after a 22-point fall in the all gold index to 1317 and a 10-point gain in the industrial index to 2924.

# Mega-merger talks take new direction

GILLIAN HAYNE

MERGER talks between UBS, Volkskas, Allied and Sage Financial Services (SFS) appeared to have taken a new direction yesterday after a special board meeting of the Allied. *B/D 10/1/91*

Company insiders said the meeting was held specifically to discuss an offer from Southern Life, countering the merger negotiations.

Southern Life chairman Neal Chapman was not available for comment yesterday.

Allied chairman Norman Alborough, MD Kevin de Villiers and co-director Louis Shill, chairman of the Sage group, declined to comment on the business of the meeting.

However, it appeared that Southern had approached Allied's board seeking support for a 225c a share bid for 30% of Allied's equity.

For the present Allied would continue talking to UBS and the others, said company insiders, who also suggested Shill would recuse himself over the Southern offer.

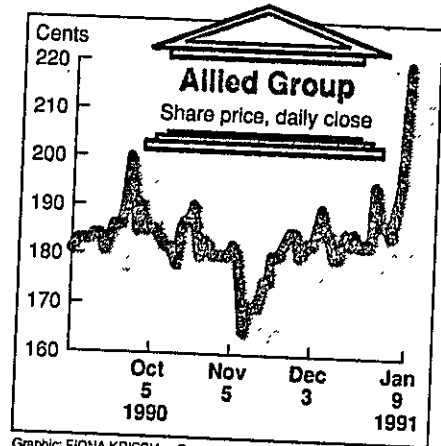
SFS owns 10% of Allied and, in its turn, Allied owns preference shares which will convert in stages into 20% of Sage Holdings' equity by 1994.

Allied had been negotiating a merger with UBS, Volkskas and SFS since September last year and the four companies' negotiators were sworn to secrecy on pain of

financial penalties. The merger negotiations were expected to have been concluded by Christmas, but ran into snags.

Yesterday Allied's shares soared from 195c to 220c as 346 000 shares changed hands on the JSE. The shares had weakened slightly at the start of the year after a window-dressing rise in the dying days of 1990. As trading ended hopeful buyers were bidding 230c for the shares.

See Page 6



Graphic: FIONA KRISCH Source: JSE

## 15% rise in doctors' fees recommended

GERALD REILLY

PRETORIA — The Medical Association of SA (Masa) has recommended a 15% across-the-board increase in doctors' consulting fees, the organisation's secretary-general Hendrik Hanekom announced yesterday.

Justifying the increase, Hanekom said doctors' practice costs had increased sharply by at least 25% above inflation.

Doctors' financial positions were becoming so critical that a breakaway from medical schemes by more of them was inevitable, he warned.

About 80% of doctors charge according to the Representative Association of Medical Schemes (Rams) scale of benefits.

Medical aid schemes this year will pay R24.90 for a GP consultation compared with R21.10 last year. Masa felt R36 a consultation was more reasonable.

Rams executive director Rob Speedie declined to comment until he had seen the full Masa statement.

## Dairy Board receives no money from govt

Business Day Reporter

THE Dairy Board, which exports surplus dairy products, does not receive any money whatsoever from government, its agent, the Dairy Services Organisation (DSO), said in a statement yesterday.

It was commenting on a Business Day report on Tuesday that the taxpayer would have to pay about R288m this year and next to subsidise surplus dairy products, which would be exported at a massive loss.

The statement said the Dairy Board's total income was derived from levies collected from milk purchasers, producer-distributors and farm cheesemakers.

The DSO also contested the amount

mentioned in the report. Giving details of how the figure should have been calculated, it projected a total export deficit of R108m to February 1992.

Government had never undertaken to become involved in disposing of surpluses. Its only involvement was in the fact that the Minister of Agriculture had to approve any expenses incurred by the Dairy Board.

Commenting on figures in the report, the statement said the lowest price at which butter or skim-milk powder was exported last year was R1.65/kg. The floor price

fixed by the Dairy Board in February 1987 was approximately 40c/l, and not 36c/l. The floor price had not been scrapped, and was currently 45.06c/l.

The average producer price for the country reached 56c/l in about March 1989. This had not happened "overnight" when NCD began to buy milk directly from farmers in 1987.

The recommendation to scrap the floor price was received from the National Dairy Committee of the SA Agricultural Union, and not the NCD (National Cooperative Dairies).

Business Day regrets the errors.

**BUSINESS**

BY MONDLI MAKHANYA  
SOUTH AFRICA this week felt the might of monopoly as a milk price war broke out between the giant National Co-operative Dairies and other independent milk distributors in Natal and the Transvaal.

The NCD slashed prices over the festive season as it tried to manoeuvre independent distributors out of their traditional areas of operation and thereby dispose of an uncharacteristically large surplus.  
Prices came down from R1,05 to 90c a litre, rendering the smaller distributors unable to break even as this was simply too low a price for them.

**NCD uses its muscle against independents**

The catch with this price war was simply that it only applied in areas where the smaller independents were operating and not on NCD's home turf.

While this was happening the Competition Board announced it would look into the matter after a Natal distributor lodged a complaint.

The Dairy Board, however, said NCD's actions were perfectly normal business behaviour and it did not, therefore, intend intervening in the price war and was leaving the matter to market forces.

Dairy Board spokesman Anna Boshoff said: "The milk industry is totally deregulated and we have nothing to do with setting prices."

"That's up to the producers and distributors to work out."

In the meantime, in order to dispose of the surplus milk, the Dairy Board is paying R288-million to subsidise the dairy industry's exports of butter and skimmed milk, which are made at a loss.  
Boshoff said the large surplus this summer had resulted from the unrest

and recession. <sup>(3) Dairy Milk</sup>

"Because of the recession people can not afford to buy fresh milk every day. Added to this has been the unrest in the country which has meant milk is not getting to some areas."

Responding to demands by the Consumer Council that instead of exporting milk products at a loss, the price of milk should rather be lowered and thus make milk accessible to more buyers, Boshoff said this would be counterproductive.  
"The milk price is already very low

and some producers are hardly breaking even. With the latest reductions, prices are at rock bottom. It cannot be lowered any further," she said.

She added that people would not simply buy milk because the price had been lowered but because they "believe in the product".

Consumer Council assistant director Ina Wilkens refuted this, saying: "People who presently don't buy milk would definitely be in a position to purchase it if the price came down."

"Even if people didn't buy milk itself, they would purchase the byproducts such as butter if these were offered at a cheaper price," she said.

# Shop around for those dairy bargains

Star 14/1/91

3 Dairy Milk

White consumers claim they are being milked by the industry, distributors and producers claim they are not getting the cream either.

In 1983 Dairy Board control over the price of milk was abolished and the price of milk has since been determined by the marketplace.

According to Dairy Services Organisation assistant general manager Dr Chris Lerm, increases in the milk price have remained stable in real terms.

The cost of milk at the moment varies from city to city and from outlet to outlet as "price wars" and specials abound. A city cafe has a special on bottled milk selling at 99c a litre, while in some cases the cost of milk in sachets has dropped to 90c. Cheddar cheese is retailing in some stores at R8,99/kg.

Sources in the industry say the prices of some goods are at present so low that "no one is making a profit" and, if the situation continues, several companies could end up in dire financial straits.

Dr Vos Grey, chairman of the National Dairy Committee of the SA Agricultural Union, says it is the first time in 20 years he has seen such variations in price. Consumers should shop around and support those outlets that charge less, he says.

One of the main functions of the Dairy Board is to stabilise the market. So, when surpluses arise, some milk is exported in the form of butter and skim milk powder. When shortages arise, these products are imported.

The board is also responsible for marketing, registering manufacturers and dis-

**'Milk Wars' and a surplus have brought the dairy industry, which was deregulated seven years ago, under the spotlight. PAULA FRAY looks at the market and the Dairy Board.**

tributors, and gathering information about the industry.

The board's income is derived from levies collected from milk purchasers, producer-distributors and other persons who buy milk from farmers for further processing and marketing. The levies stand at 6c a litre.

Certain distributors have questioned the validity of the levies and have refused to pay them since September 1988. Last month the Dairy Board issued an ultimatum to the distributors to pay up or face action, and a court case could be forthcoming.

Although the board says the costs of exporting sur-

pluses is not borne by the consumer, distributors almost inevitably pass on levy increases.

There are at present about 600 registered organisations or persons who process milk and dairy products. There are about 9 000 dairy farmers in South Africa.

A legislated floor price, which acts as a safety net for farmers in the event of a milk glut which could send prices plunging, stands at 45c a litre.

The Dairy Board says it has no plans to scrap the floor price of milk despite a request from the National Dairy Committee to do so.

The only government involvement in the industry stems from the Minister of Agriculture's need to approve Dairy Board expenses. But it is the milk surplus

which has caused the most furor and confusion.

Smaller distributors have accused some larger ones of encouraging a surplus by initially paying unrealistically high prices to farmers.

Consumer bodies have called on the industry to reduce the price of milk.

The milk price is determined by the marketplace, but those in the industry say sales of milk are relatively inelastic and consumers do not necessarily buy more of the product simply because it is a few cents cheaper.

According to Dr Lerm, the

major reasons for the surplus is the poor economic climate and the countrywide unrest.

The surplus is mainly in coastal areas where farming conditions are good.

"It is exactly opposite in the Highveld and drought-affected areas," he says.

But while the milk surplus could be an issue now, Dr Grey has warned there could soon be a shortage once the effects of the drought and present marketing tactics to get rid of the surplus take effect.

Housewives League president Lynn Morris says the body is very concerned about the state of the industry.

While it welcomes cheaper prices, it is concerned about the long-term effects.

# Exporting milk will cost the Dairy Board R108-m

By Paula Fray  
Consumer Reporter

(3) Dairy Milk

Exporting excess milk in the form of butter and skim-milk powder to stabilise the local market will cost the Dairy Board about R108 million during the present and next financial year, Dairy Services Organisation (DSO) has said.

The money used to export the surplus is derived from levies collected from milk purchasers, producer-distributors and other persons buying milk from farmers for processing and marketing.

The DSO said the Board would buy 3 000 tons of butter and 8 000 tons of skim milk powder at R5,62/kg and R4,13/kg respectively during the year ending February 1991.

These prices were substantially lower than the production cost of R7,46/kg for skim milk powder and R8,20/kg for butter, the DSO said.

This meant exports would cost an estimated R30 million during the year 1990/1991.

The difference between the manufacturing cost and the cost at which the products were bought by the board is borne by

the manufacturer.

For the 12 months ending February 1992, it is estimated that 6 300 tons of butter and 14 600 tons of skim-milk powder will have to be removed. The butter will be bought from manufacturers at R5,64/kg and skim-milk powder at R5,33/kg.

"It is estimated that the deficit between the export income and the above prices will amount to approximately R78 million," the service said.

If the production prices and the prices paid to butter and skim-milk powder manufacturers to export surpluses are compared, an estimated R81,6 million will be lost by manufacturers.

"Then they will also have to get rid of the additional surplus of 2 561 tons of butter and 5 600 tons of skim-milk powder that the Dairy Board is not going to buy in 1991/92," the DSO said.

The prices at which skim-milk powder and butter are exported differ, but the lowest at which these products were exported last year was R1,65/kg.

● Shop around for dairy bargains — Page 11.

# Milk 'price war' talks expected in Pretoria soon

By Paula Fray  
Consumer Reporter

(3) Dairy Milk

Members of the Competition Board are due to meet representatives of the National Dairy Co-operative (NCD) in Pretoria this week to discuss a complaint of predatory pricing.

Competition Board chairman, Dr Pierre Brooks, confirmed that the meeting would take place soon. *Star 14/1/91*

"It is to give everybody an opportunity to explain their policies," Dr Brooks said.

Dr Brooks said the meeting would also be an opportunity for the Board to explain certain aspects of competition policy that might bear on the issue.

The Board is presently investigating a complaint laid against the NCD by Howick dairyman William Hyslop.

Dr Brooks said there was prima facie evidence of price wars in the dairy industry.

"A price war per se may not necessarily be a bad thing but it might have more pernicious elements which could take it from healthy competition to restrictive practices," Dr Brooks said.

# Complaint against NCD rejected

6/2/91 22/1/91  
THE Competition Board has cleared National Co-operative Dairies (NCD) of a restrictive practice after NCD lowered its milk price in the Maritzburg area.

This was announced by the Competition Board after it discussed a complaint of predatory pricing with NCD last week. Board chairman Pierre Brooks said in a statement that retaliatory lowering of prices by NCD in the Maritzburg area, albeit selective, was not a restrictive practice.

The meeting was called after a complaint by William Hyslop of Howick-based independent Laggan Dairy that the NCD was cutting prices selectively in the areas

③ Dairy + milk  
GILLIAN HAYNE

in which Hyslop operated.

Business Day reported that in Howick NCD cut its price from R1,74c/l to 99c/l, just 1c lower than Laggan's R1/l. The areas involved in the "milk war" were Maritzburg, Howick and the outskirts of Durban, where the independents were in direct competition with NCD.

Brooks said lowering prices was legitimate in the hurly-burly of the competitive process unless undertaken with the object of eliminating small independent producer/distributors from the market.

□ To Page 2

## NCD

6/2/91 22/1/91  
"But in practice it is often difficult to prove. Moreover, the conventional wisdom is that an industry with substantial excess capacity is not a plausible candidate for predatory pricing because the alleged predator cannot reasonably look forward to a period of monopoly pricing."

NCD submitted that it was not the first to lower the price of milk in those areas. "Even large concerns cannot be expect-

③ Dairy + milk □ From Page 1

ed to stand 'idly by' while other firms make inroads into their market share by offering lower prices," the statement said.

Instead NCD took "appropriate retaliation in accordance with the dictates of competitive trading when their market share came under threat".

No further action is contemplated by the Competition Board at this stage.

## Dairy Board levy refusals end in court

AT LEAST three Supreme Court cases are pending over the refusal by milk distributors to pay levies to the Dairy Board totalling R14.6m, it was confirmed yesterday.

Dairy Board assistant manager: marketing Chris Lerm said certain milk distributors had not paid their levies of 4c a litre for the past three years.

"They feel they are not getting any benefit from levies," he said.

The board uses the levy to finance its administration costs (about R6m), promotion (about R8m), and for a stabilisation fund for subsidising factories manufacturing cheese and butter (R46m in 1987/88).

However, Lerm said with interest added, the debt to the Dairy Board could reach R20m, which could create financial difficulties for some companies.

Lerm said the board had gone to court

ACHMED KARIEM

over the issue. The distributors had lost their case and took the decision on appeal. The appeal would be heard in the Supreme Court in Bloemfontein shortly. Two cases were also pending in the Western Cape and Natal.

National Milk Distributors Association chairman Frik Grobler said the Dairy Board's scheme needed to be revised so that milk distributors were treated in the same way as butter producers.

Meanwhile, members of the association, accounting for 40% of fresh milk produced in SA, have been levying themselves to accumulate a reserve fund, estimated to be at least R300 000.

The consumption of fresh milk declined by 3,3% and 7% in March and April 1989 over 1988 after the milk price went up by 13c a litre in February.

## Milk price up again

MILK prices have been increased by an average of eight percent with immediate effect - the second price rise this year. *Sowetan 25/7/90* ~~7/11~~

The price of a litre of full cream milk has risen by 13 cents, meaning that consumers can expect to pay more than R1,90 a carton at a corner cafe. The cost to the retailer will be R1,73 cents a carton. <sup>per</sup> ~~3~~ MILK

In addition, Central Statistical Service figures show that milk, cheese and egg prices for June were already 20 percent higher than a year ago. - *Sapa*.



# Govt sets up forum for Natal planning

CAPE TOWN — Plans for the upliftment and redevelopment of strife-torn Natal/KwaZulu were boosted yesterday with government's creation of a "think tank" to co-ordinate further action.

High on the priority list was the resettlement of communities displaced by political violence, said Deputy Provincial Affairs Minister Tertius Delport, adding that politics should be separated from the resolution of socio-economic problems.

A high-level meeting of state departments involved took place yesterday to discuss strategies.

No new structures would be established or existing actions duplicated, he said.

Delport said he hoped to involve the private sector in the operation as the government could not solve the problems on its own. He would meet "various representatives" on Monday.

Delport confirmed government was studying a memorandum from the DP MP for Greytown, Pierre Cronje, suggesting that it would be

## Political Staff

quicker and cheaper to renovate houses damaged in the violence than to build new ones.

The threatened withdrawal of bus services from certain areas of KwaZulu — which could virtually paralyse the Empangeni-Richards Bay industrial axis — was also receiving urgent attention.

He said the question of subsidising the service had been raised and while he was well aware of the problem, he could not commit government to a specific line of action.

"We cannot shy away from the political undertones which have a detrimental affect on socio-economic problems.

"As politicians we must reach the point where we divorce the socio-economic programme, the upliftment and development of the area, from the political arena," he said.

His offices would be open to anyone who wanted to facilitate peace between the UDF and Inkatha or for any other project in the region.

# SA's migration gain continues to increase

## GERALD REILLY

PRETORIA — SA's migration gain continued in April, and for the first four months of the year it amounted to 2 611 compared with 1 515 in January-April last year. *Day 19/6/90*

Central Statistical Service (CSS) figures show immigrants in the four months totalled 4 283 (3 439) and emigrants 1 672 (1 924).

In April the net gain was 746 (265). And the net gain of professional, semi-professional and technically

qualified people was 121 (480) in the four months. *(238)*

Among the emigrants were 10 doctors (16) and 71 engineers (80). Foreign visitors in January-April increased by 18,3% to 549 735 (499 317).

In the four months, most of the emigrants relocated to Australia, which attracted 544 (546) and the UK, which lured 574 (388).

# Butter imports aid Dairy Board

## BARRY STREEK

CAPE TOWN — The Dairy Board lost R662 698 exporting butter and cheese during the 1988/89 financial year but then made a profit of R765 693 on the sale of imported butter, Auditor-General Peter Wronsley said yesterday. *(3) Dairy & Milk*

The losses on the exports in respect of butter and cheese amounted to R585 612 and R77 086, he said in his report on the board's accounts which was tabled in Parliament.

However, due to a shortage of butter during the year, the board was compelled to import butter and a profit of R765 693 was achieved with the sale of this butter.

During the year, the board spent R47,6m on market development, including R23,2m which was paid to butter manufacturers in order to make butter more cheaply available to the consumer. *Day 19/6/90*

Wronsley said the board's administration of debtors was "in a poor state of affairs" but this was acknowledged by management, which envisaged rectifying measures.

In his report on the Maize Board's accounts for the 1987/88 financial year, he said the board's net deficit dropped from R333,2m at the end of the April 1987 to R173,9m at the end of April 1988.

During the year, the board made a R141,6m profit on domestic sales, but there was a deficit of R235,9m on export sales and a deficit of R70,4m on export sales was carried forward.

This resulted in a net deficit of R164,8m in the maize account, Wronsley said.

# Dairy Board finances in poor state

Ste 19/6/90  
3 Dairy Milk

The debt administration of the Dairy Board was in a poor state, the Auditor General said in a report tabled yesterday.

At the end of the year the board was owed R14 609 192 by various debtors.

"In view of pending court verdicts on the legality of certain levies, the refusal of several milk buyers to present returns, and the resultant inability of the board to determine and bring these levies to account, no opinion can be expressed regarding the amount," the report said.

It was doubtful whether amounts owed by various debtors would be recovered. Bad debts of R287 334 had been written off during the year. — Sapa.

# Milk costs more from Monday

Staff Reporter

CAPE dairies have announced milk price increases of between eight and 10% from Monday.

Dairybelle's general manager for the Western Cape, Mr Jan Kotze, said he expected the increase to average 12c a litre while Cape Co-op Dairies general manager Mr Phil Du Plessis estimated a 9½% increase.

CAPE Times 17/3/80

Homestead Independent Dairies

ies' managing director Mr John Jacobs said he would not fix a price until after his meeting with shareholders next Tuesday, but he expected a 10% increase.

Consumers should expect to pay R4 more a month if they use a litre of milk a day — for pensioners this will take 16% from the R25 increase granted to them in

the budget.

3 Milk & Dairy

In the past 12 months milk has increased four times, each with price hikes of between 9c and 13c a litre.

Housewives League vice-chairman Ms Sheila Baillie said the League had appealed to the State President to bring back price control.

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# Rise in milk price slammed on all fronts

By LULAMA LUTI

~~2/25/90~~ (3) Dairy Milk

THE price of milk went up this week by 13 cents a litre - putting it almost out of reach for many an ordinary worker.

App non. 25/2/90 (2/25/90)

And following the increase, announced earlier this week by the Dairy Board, the National Black Consumer Union (NBCU) has called on all consumers to protest against the rise by using substitute products.

In a statement, NBCU demanded justification from the Board and said the increases could not have come at a worse time, when consumers were still recovering from increases late last year.

NBCU president Nonia Ramphomane said milk was one of the basic foodstuffs for many township families and without it they would find it difficult to survive.

Trade union organisations expressed outrage, saying more people were going to suffer.

South African Domestic Workers' Union (Sadwu) spokesman Margaret Nhlapho said domestic workers earned a meagre wage and would be hardest hit.

Many mothers depended on milk products to feed their children and now would have to dig even deeper into their pockets.

Nactu spokesman Cunningham Ngcukana said the increase in the prices of basic foodstuffs would necessitate increases in wage claims.

He dismissed Reserve Bank Governor Dr Chris Stals' call for consumers to tighten their belts while the government paid its foreign debts.

"He is actually telling our people to starve while his salary is a huge one. Those in the low-income group will definitely suffer as the increase is going to affect all milk products."

# Price of milk up

ONE OF South Africa's biggest distributors of dairy products, Dairy Belle, increased its milk price by 13 cents a litre yesterday, SABC radio news reports.

This is the second increase in less than four months and is expected to lead to higher prices for all dairy products.

The price of milk was increased three times last year.

<sup>(3) Dairy & milk</sup>  
The Consumer Council conducted a comprehensive investigation into milk price trends and has urged consumers to give serious consideration to alternative products such as powdered milk.

It has also advised consumers to support cheaper suppliers. Sowetan 2012/90

The assistant director of the council, Mrs Ina Wilken, said unjustified increases in the price of basic products could no longer be tolerated. - Sapa.

3 milk

Times, Tuesday, February 20, 1985

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# Milk price to increase in W Cape

Staff Reporter

MILK price increases of anything up to 13c per litre can be expected in the Western Cape soon, Dairybelle's regional general manager Mr Jan Kotzé confirmed yesterday.

He said he was meeting with the Farmer's Committee later on this month and that an announcement regarding the price increase would probably be made toward the middle of next month.

This follows an announcement by Dairybelle in the Transvaal that milk was to increase by 13c per litre from yesterday.

Managing director of Homestead Independent Dairy, Mr John Jacobs, said they were "frantically" working out their budget for the new year and that no firm decision regarding a

price increase had been made.

"We watch costs closely and tighten our belts as much as we can, but when faced with unrestrained increases all around we have no choice but to increase the price of milk," he said, adding that packaging was a major expense in the production of milk.

He said the Western Cape was subjected to about half the number of milk price increases than the rest of the country, due to the strong competition which existed in the industry here.

"What disturbs me is the South African Co-ordinated Consumer Council's reported appeal to consumers to use alternative products. It's sad to think of a generation of children growing up on colouring and fattening agents," he said.

● Dairy Board loses on exports — Page 5

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R611 926

in dairy

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By BARRY STREEK  
Political Staff

THE Dairy Board exported products at a loss of R611 926 in the 1987/88 financial year but imported dairy products which were sold at a profit of R6 million, the former auditor-general, Dr Joep de Loor, said yesterday.

The export losses involved R509 608 for butter, R79 818 for cheese and R22 500 for milk powder and were written off during the year against the board's stabilisation fund, he said in his report tabled in Parliament yesterday.

In his report into the Wool Board for the year between July 1987 and June 1988, which was also tabled in Parliament yesterday, foreign loans of R290m, together with exchange rate losses amounted, to R548,3m by the end of June 1988.

Interest on the foreign loans amounted to R50,3m for the year.

# The lessons of deregulation

FIM 16/2/90

③ Dairy & milk.

The price of milk has skyrocketed in the past 14 months. Mervyn Kraitzick, OK Bazaars' food marketing director, says the price has jumped by some 40%. The Dairy Board, which deregulated the milk price nearly seven years ago, puts the price escalation lower, at 29%.

Does this mean that deregulation is failing? Of course not, say the board, the supermarkets, the dairies and other segments of the industry. They say deregulation encouraged a rash of new competitors and that kept prices down. Now, as the industry undergoes a shakeout, prices are starting to recover, a typical pattern after any deregulation.

But the board's experience with milk still holds valuable lessons for the deregulation of other products and services — such as bread, meat and even airline tickets — that are under consideration.

Despite the recent surge, milk remains cheaper today — in real terms — than when the price was deregulated in July 1983. The milk price has risen from 63c/l at the time of deregulation, to R1,41 last month — a 123,8% increase, compared with a 145,3% increase for the CPI. And since October, the price has dropped by 4c a litre.

Coupled with this, deregulation has spurred an increase in per capita milk consumption — 3,9% after the first five years. The board attributes this to the greater competition leading to more advertising and a larger variety of sizes and packaging for milk containers. The increased buying power of blacks, it says, is also partly responsible. Pick 'n Pay food director Sean Summers adds that the high cost of red meat and other products containing protein has made milk an attractive option.

Nels Bliss Dairies MD Martin Loubser says milk products have indeed diversified. He cites the introduction of slimmers' dairy products, different milk grades and new containers such as 2 l bottles and plastic bags as producers vie for customers.

The new competition is played out in ways consumers may never notice. Kraitzick says before deregulation, the dairies had a "you do your own thing" attitude towards retailers. Now dairies have to worry about service, so deliveries are timeous and regular and dairy reps call on the stores to check that their products are being stocked and priced correctly.

Loubser says dairies now are more choosy about where they buy their milk and how much they pay now that the board is no longer involved in setting the price.

To be sure, many regulations still govern the industry and remain the source of many of its problems. In any deregulation, most of the problems result from not going far enough.

The board still sets a floor on the price dairies must pay for milk — a safety net for farmers in the event of a milk glut that sends prices plunging. All distributors and manufacturers must still register with the board. Imports must still be approved by the board

lations. GM Edu Roux says he doesn't believe the regulations are excessive, or that they preclude anyone from entering the industry.

An even more contentious issue is the levy system. The dairies must pay the board 3c for every litre of milk they sell, with the money used to finance the board's administration costs (R6m), promotion (R8m) and the stabilisation fund, which subsidises dairies manufacturing butter (R46m). Dairies that do not get the subsidy resent paying the levy because they see it as supporting their competitors. The board counters by saying the levies are used to benefit the dairy industry as a whole.

The price of butter is also deregulated but the board awards massive subsidies to butter to keep the price competitive with margarine. So consumers who try to save a few cents by buying margarine are spending 3c on butter every time they buy a litre of milk. And, despite the board's best efforts, SA was hit with a severe butter shortage last year that forced consumers to buy margarine anyway.

With milk, butter and cheese prices deregulated, why does SA still have a dairy board, especially one that spends R60m or more each year?

Loubser, for one, sees no need for the board and wants it scrapped.

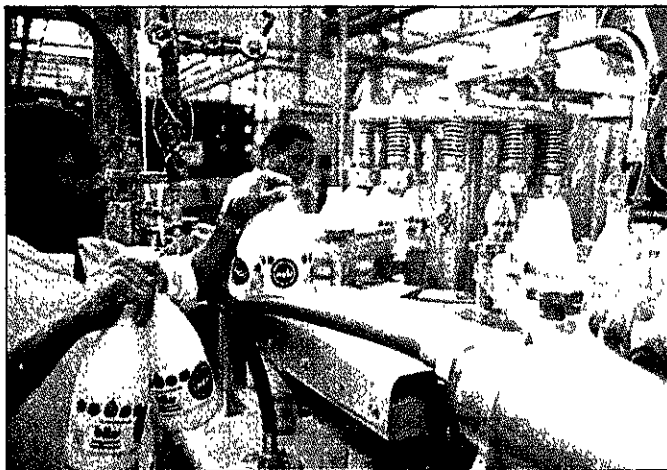
He argues that its function — to promote the sale of dairy products — is not being carried out effectively. He maintains that because dairies deal with farmers directly, there is no need for the board.

Kraitzick says he understands the board's desire to safeguard producers and oversee exports, but he adds: "Sometimes I wonder whether they work in the interests of the consumer."

However, abolishing the board seems unlikely.

Roux points out that under the Marketing Act, only the farmers can decide on whether it is needed. Since it exists for the protection of farmers, don't expect them to call for its termination.

Roux acknowledges that the existing structure "makes life difficult for the dairies." However, he claims the board benefits consumers because "in the long term, what's in the interests of farmers is in the interests of consumers."



Milk decontrol . . . charging what the market will bear

and the minister of agriculture.

Department of Health regulations are particularly controversial. They govern all aspects of the dairy process, from the milking sheds to bacteria counts. Summers says that while the health regulations protect the consumer, "perhaps they should be relaxed a bit." He says the stringent health laws prevent small dairies from competing with the large ones and a relaxation could help prevent dairy monopolies.

Not surprisingly, the large dairies do not want health regulations eased. "If you got *vrot* stuff from time to time, it could downgrade the whole industry," Loubser says.

But Graham Donald, national marketing manager of National Co-operative Dairies, complains that the enforcement of the health regulations favours the smaller dairies. He says there is a tendency for the authorities to focus on the big operators and ignore the little ones.

The board also opposes relaxing the regu-



## Hops industry to earn R8m

GERALD REILLY

PRETORIA — The hops industry will earn producers nearly R8m on a crop of 680 tons of processed hops this year, Agriculture and Water Supply Minister Kraal van Niekerk said in George last week. *810am 5/3/90*

Speaking at a hops festival, he said this should provide the country with 45% of its needs.

SA breweries produced 170 tons of the dairy product on its own land last year, while producers under contract delivered another 417 tons.

This amounted to 33% of the brewing industry's total requirements and earned R5,7m.

The balance had to be imported but production was increasing, Van Niekerk said. *② Dairy milk*

Within the next five years, local production was expected to supply up to 70% of the local need.

*③ 1/2 of total*

DAIRY INDUSTRY <sup>FIM 11/2/91</sup>  
<sup>3) Dairy + Milk</sup>  
**CLASHING OVER PRICES**

The dairy industry is one of SA's least regulated agricultural sectors. But this doesn't save it from the epidemic of waste and inefficiency that plagues most agricultural sectors. A current controversy in the industry is

a textbook example of how industry interests are protected while consumers get whacked.

For nearly a year, the Department of Agriculture and the Dairy Board have been at loggerheads over how much manufacturers should be paid for their huge stockpiles of butter and skim milk powder. Both sides confirm the impasse — as do most of the major players in the industry — but few people are willing to talk about it at length.

While the stalemate drags on, the surplus has been building because exports have been held up until the dispute is settled. By next February, the board may be staring at a 9 300 t butter mountain and a 22 600 t pile of skim milk powder.

Agriculture Minister Jacob de Villiers, determined not to reward farmers for over-producing, indicated last March that the board would pay only the producer floor price — 45c/l — plus production costs for the unsold milk products it takes off the hands of manufacturers.

**Holding out** <sup>3) Dairy + Milk</sup>

The board, representing the industry, wanted to pay a higher price for the surplus. Edu Roux, GM of the board's agent, the Dairy Services Organisation, says the board did not want to pay as much as the market price — now between 65c/l and 80c/l — but "rather a price that does not stimulate further milk production but at the same time is not as unrealistic as the current, two-year-old floor price." The minister has the final say, but the board wasn't about to go along. That's when the long stand-off began.

"The decision even covered existing surpluses," says Doug Howie, chairman of manufacturer Dairy Belle. "At the time, we supported the board. We were pretty upset because manufacturers hadn't been given time to adjust their prices paid to the farmers."

Before the announcement, wholesale milk buyers had been paying high prices to farmers largely to stimulate production during the milk shortage of the previous three years. And, until September 1988, the farmers and manufacturers were well protected from overproduction because the board purchased surplus milk at the fixed price for industrial milk — in effect, the market price.

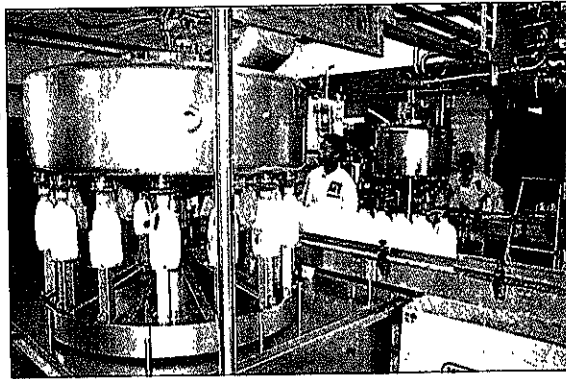
But with the unsold surpluses mounting, the board finally capitulated last October and tentatively agreed to abide by the minister's decision. Part of last year's surplus was then purchased at the floor price, plus production costs. But the board won't take a final decision until its meeting on February 26.

Meanwhile, the costs to the industry keep adding up. But of course, consumers will foot most of the bill in the end.

The manufacturers say they will lose an estimated R81,6m during the two-year period ending in March 1992 — the difference between the 45c/l floor price that the board will pay them for their surpluses and the 65c/l-80c/l that they paid farmers for the milk.

**BUSINESS & TECHNOLOGY** <sup>FIM 11/2/91</sup>

<sup>3) Dairy + Milk</sup>



**Mool ... swimming in a sea of milk**

Also, the board loses money when it exports the surplus because it can't get as high a price as it pays the manufacturers, even now that it will pay only the floor price plus production costs. The loss is estimated to total R108m for the 1991 and 1992 fiscal years. The board raises this money by collecting a statutory 6c/l levy from wholesale milk buyers.

Roux says the consumer won't be hurt because these losses won't be passed on. Furthermore, he says consumers are actually benefiting because the surplus is forcing prices down. He points to the price war in Maritzburg, where National Co-operative Dairies (NCD) was accused of predatory pricing but was exonerated by the Competition Board last week.

Looking back, manufacturers say the board should have accepted the floor price for its surplus right from the beginning, instead of building up a bigger and bigger stockpile. "A lot of money was lost with interest costs on stockholdings mounting and international prices also dropped during this time," says Japie Dreyer, CE of NCD.

Even if the board finalises its decision to accept the minister's ruling, the saga is surely not ended there. Many in the industry want De Villiers to press ahead with reform and eliminate the floor price. For now, the minister is not commenting.

In September, the National Dairy Committee of the SA Agricultural Union unanimously called for scrapping the floor price and creating a system to dispose of surpluses only in extreme cases.

The major players in the industry largely attribute the massive milk surplus to a combination of factors such as cyclical conditions, the recession, unrest and boycotts and poor expectations for meat. But most also see a direct link between the floor price, the wholesale price and the overproduction that results in a surplus, regardless of the supply or demand for milk. On the other hand, Roux says the floor price is so far below production costs that it could never encourage surpluses.

"Basically, farmers are looking for security in a floor price — and one can sympathise with them," says Lieb Nieuwoudt, a professor of agricultural economics at the University of Natal in Maritzburg. "But a floor price is unsuited to perishables."

As an example, Nieuwoudt compares milk and tomatoes. "Both are perishables, but tomatoes are not regulated by a floor price. When a surplus occurs in summer, prices move down and the surplus is absorbed as the benefit is passed on to the consumer." Seasonal changes would still protect farmers, he says. "They could look forward to higher prices once again in winter."

Ultimately, though, eliminating the floor price shouldn't take place without deregulation in the other agricultural sectors, some say. "The single biggest offender is

the highly regulated maize industry, which is responsible for inflated markets and false economies in SA agriculture," says Johan van Zyl, professor of agricultural economics at the University of Pretoria. "We cannot, at this point in history, allow several thousand farmers to be supported at the expense of millions of poor people. In the end, every loss is for the account of the consumer." ■

# Dairy tackles board on special milk levy

S/Times 10/2/91 (3) Dairy + milk

By JANE ARBOUS: Cape Town

A SMALL dairy in the Western Cape took the authorities to court this week to contest special milk levies.

Homestead Dairy's action involves the Minister of Agriculture, the Dairy Board and the National Marketing Council of the Department of Agriculture.

Homestead alleges that part of the 6c a litre levy, imposed on 580 milk buyers and distributors throughout SA, is being used by the board to subsidise opposition co-ops and manufacturers — most of whom are represented on it.

Underpinning Homestead's criticism of the levy and its use is the claim that it was not

given a fair hearing after Government notices were advertised for comment in 1987 and 1988. The notices transferred levy liability from producers to milk distributors.

Homestead alleges that the board used certain money from its stabilisation fund without ministerial approval.

## Settlement

The case in the Supreme Court, Cape Town, is the culmination of years of protest against the levy by Homestead and other independent milk distributors.

Some companies, including Homestead, have stopped

paying the levy and the outstanding bill is believed to amount to between R20-million and R25-million. Several attempts at an out-of-court settlement have been made.

Homestead seeks an order declaring the levy null and void in a hearing expected to last several weeks.

W Thring, for Homestead (Independent Food Processors), told the court there were conflicting interests in the dairy industry. There were four broad sectors — producers (farmers), buyers and distributors (Homestead), manufacturers and agricultural co-operatives.

Many overlapped, he said.

Some manufacturers and co-ops were also milk buyers and distributors.

He described Homestead, which entered a tightly held market in July, 1987, as a small concern. Its sole business was to trade in milk, yoghurt, cream, cottage and cream cheese, buttermilk and dairy drink blends.

However, it could not make long-life products, such as hard cheese, butter and milk powder.

Mr Thring said the industry was subject to two classes of levies — general and ordinary for board administration and a special 6c a litre levy which went into three funds — marketing, stabilisation and industry service.

There was evidence that most of the special levy, now paid by distributors, went to the stabilisation fund. In 1988, most of the fund was used in favour of certain manufacturers and co-ops. This was tantamount to asking companies like Homestead to subsidise their opposition.

## Dice

There was also evidence that distributors were forced to sell their surplus milk to co-ops at a loss.

Mr Thring said the dice was loaded against distributors. Not only was their profitability being adversely affected, but some were in danger of closure.

In papers before the court, Homestead alleges that the board used money from the stabilisation fund without ministerial approval. Therefore, Homestead is not obliged to pay the levy.

It alleges that the board wrote off R1,28-million as a bad debt after the closure of certain butter and cheese pools. It also alleges that the board overspent by R1,6-million on promotional sales of butter and on losses on the export of butter and cheese.

... mobilisation and point-  
often mass mobilisation  
confrontations with po-  
rganisations and rank and

"We are now doing research aimed  
at identifying and warning against  
tendencies that may lead this society  
into something worse than the sys-  
tem that has gone before."

## Special milk levies contested

MARCIA KLEIN <sup>3</sup> MILK LEVY

CAPE-based Homestead Independent Dairy has contest-  
ed, in court, special milk levies of 6c/l imposed on it.

The action was brought before the Cape Town  
Supreme Court last week against the Agriculture Minis-  
ter, the Dairy Board and the Agriculture Department's  
National Marketing Council.

Business Times reported yesterday that Homestead  
asked the court for the special 6c/l levy to be declared  
null and void. \$100m 11/2/91

In papers before the court, Homestead said there was  
evidence most of the special levy went to the stabilisa-  
tion fund, and money from the fund was used by the Dairy  
Board without ministerial approval, and therefore  
Homestead was not obliged to pay the levy.

Homestead and other firms have stopped paying the  
levy, and the Business Times said the outstanding bill  
was believed to be between R20m and R25m.

The dairy alleged that part of the levy imposed on milk  
buyers and distributors was used by the Dairy Board to  
subsidise opposition co-ops and manufacturers, and  
therefore companies like Homestead were being asked to  
subsidise their opposition.

The hearing is expected to last a few weeks.

... in ... or about ...

**T**HE dairy industry has long been mired in bickering, but things are turning decidedly sour as it struggles under a substantial product surplus, a looming R108m export deficit and a prolonged economic downturn.

A highly controversial issue is the system of levies which form part of the cost of milk. Levies are used to finance the conversion of milk surplus into exportable products such as skim-milk powder and butter, which are exported as a loss.

The levies were originally placed on the farmer but transferred to the wholesale milk purchasers in 1987. The purchaser pays to the Dairy Board a levy on each litre of milk. The board passes it on to industrial factories which process the milk.

The levy, now 6,066c/l, finances the difference between the cost of producing the goods and the international selling price. By financing the loss, the Dairy Board hopes to encourage the factories to continue converting the surplus milk into exportable commodities, thereby stabilising the industry.

**C**ritics of the industry and of the Dairy Board argue that these levies are ultimately paid by the consumer through higher milk prices and that those who create surpluses should bear the burden of the levies.

The Dairy Services Organisation (DSO), which acts as an agent for the Dairy Board, counters that the levies are paid by the bulk milk buyers, adding that recent levy increases were not passed on to the consumer.

Others query the complex issue of why there is a glut of milk. Is the farmer responsible for producing too much milk? Are the milk buyers/distributors responsible for increasing the price of milk, thereby offering dairy farming too good an opportunity to be missed? Or, as the DSO argues, are boycotts and unrest responsible for affecting milk demand in black areas at a time when farmers see milk production as attractive while grain and beef prices are weak?

Whatever the real combination of factors, critics suggest the market is

# Separating the whey from the curds in the dairy debate

GILLIAN HAYNE

being held to ransom for the benefit of the big distributors.

All distributors are expected to pay the levy, but independent processors complain that only those linked to industrial facilities producing skim-milk powder and butter receive financial assistance from the Dairy Board.

As a processor, National Co-operative Dairies (NCD) is a big recipient of these levies, but as a milk buyer it is also a large contributor. Other processor/buyers that benefit include Neslé, Imperial Cold Storage (ICS), MWSK, Cape Dairy Co-op, and Towerkop Co-op. Together, the DSO reckons, these companies contribute 80% of the total levies.

Independent distributors operating only in the fresh milk market say that, despite contributing to the stabilisation fund, they are not given use of the fund to dispose of their own surpluses.

They have been told to build their own factories but say this is prohibitively expensive.

This is why many have refused to pay the levies, of which about R22m is outstanding, leading to a number of legal actions against them.

NCD chairman Japie Dreyer argues that "all distributors can get the benefit of the milk powder and butter manufacture provided they pay

the levies.... They do not need to build factories."

DSO GM Eddie Roux stresses that "every single company, co-operative or person" involved in processing milk or manufacturing dairy products receives a benefit from the levies. If they can prove they are processing at a loss other goods to reduce the milk surplus, they are eligible for the levy. The subsidies and surplus removal are channelled through the major skim-milk and butter factories only "for ease of administration", he says.

**H**e adds that "everybody has had the opportunity, for a considerable period of time, to produce butter and skim-milk powder and subsequently to qualify for any payment in terms of the board's surplus removal schemes."

Frik Grobler, chairman of the National Milk Distributors Association — representing approximately 70 independent distributors out of the national total of 650 "milk buyers" — says that during December his own distribution company threw 80 000 litres of milk "down the drain" because it was not accepted by the industrial factories.

Roux points out that Grobler's organisation does not pay levies and cannot reasonably expect to have its surpluses converted into milk products by industrial milk factories owned by milk buyers that do pay levies.

NCD's Dreyer argues it is a catch-22 situation. If the factories did buy the independents' surpluses, it would be at a very reduced rate because they did not pay the levies.

The stabilisation fund was created, Dreyer explains, because the forces of supply and demand could operate only on a long-term basis in the dairy industry. "One cannot drive the farmer out today and get him back tomorrow."

In November 1989, the supply began to rise above the expected demand, and the surplus was created. Dreyer attributes the unexpected slowing in demand to the "anti-fat syndrome" among middle- to high-income groups and the unrest and high level of unemployment which has cut low-income expenditure.

He argues that dropping the price to ease the surplus is "not in anybody's interest".

The farmers experience financial problems, the quality of milk drops, and the consumer is once again the final loser. The stabilisation fund's role is to take the excess product out

of the market, to keep the industry balanced.

The NCD, criticised for not acting to keep the surplus under control, says it sent farmers letters "as early as April 1990" warning of a surplus and suggesting they not undertake extensive milk production expansion programmes.

"The surplus became evident in November 1989, but we did not want to reduce the price of milk while the system was still in place to remove the excess. In December, though, we were forced to lower the price a little," says Dreyer.

Current indications show a fall in milk production on the highveld and, although production is still high on the coast, Dreyer optimistically expects to see a slowing down in the surplus in the near future.

Housewives League chairman Lynn Morris, unconvinced by claims that demand for milk is inelastic, suggests if the surplus is being exported at a loss, government should rather retain it for use in SA among the needy.

Critics believe that, by exporting the milk surplus, the Dairy Board is taking the line of least resistance. The industry should rather be promoting dairy products by cutting prices. They argue that in a country where there is high unemployment and low disposable income within a population which thrives on high-fat produce, it is illogical to suggest the demand would not increase if the price was lowered.

**R**oux would not comment on any specific steps being taken by the Dairy Board to bring the surplus under control but said: "The low price at which the surplus is being removed is already a substantial deterrent to produce any further surplus. If the surplus should escalate further during the year, the board will have to consider steps to curb it. Milk buyers will lower the price paid to farmers — some already have. That will also lead to economic production instead of maximum production by farmers."

Reintroducing a quota system, Dreyer concludes, would be a solution of "last resort".

# INSTA MILK NOT FOR FEEDING

**In South Africa, circumstances result in many babies being fed on instant milk solutions a practice condemned by leading nutritionists. BEVERLEY MITCHELL examines why it's vital that babies are fed on recognised infant formulas only.**

*3 Dairy Milk South Africa 14/2 - 20/2/91*

**A** FEW DECADES AGO, many women had fairly easy access to fresh dairy produce. They could either walk or take a ride to their local dairy, or in some cases, have access via a relative or friend who either lived or worked on a farm. But with the increasing monopolisation of dairy production by big business, their options have decreased more and more. Today, their only access to dairy products are via supermarket shelves or the local cafe.

Similarly, the financial pressures of surviving in a declining capitalist economy have forced many women to seek employment while their children are still babies. This has resulted in weakening the mother-child bond as well as forcing early weaning on the breast-fed child.

In the light of these problems, many babies are fed on instant milk solutions and this has prompted a response from the Nutrition Society of Southern Africa and the Association of Dietitians in Southern Africa.

In their recent position statement, they assert quite strongly that imitation dairy products, including creamers and imitation milk blends, are not suitable for infants and young children. They also express deep concern that, despite the fact that these products are required by law to be labelled "Not for baby feeding", a large proportion of South African consumers are either illiterate, partially illiterate, or do not read labels.

In addition, they said, the term "baby" on the labels could be confusing for the average consumer. In terms of the law concerning the labelling of imitation milk blends, a "baby" refers to any child under the age of three years. These products were therefore not suitable for children younger than three years of age.

According to the statement, although imitation milk blends do contain some milk powder, their milk replacement value is only about half that of primary dairy milk products. This means

that double the quantity of blend would have to be given to a child to match the protein and calcium provided by milk — a solution which would be both impractical and expensive.

Their research revealed that the fat content in creamers is not only substantially higher than that of full cream milk, but is also composed predominantly of saturated fatty acids which may promote atherosclerosis and coronary heart disease.

Furthermore, imitation blends were not the same as dairy powder blends or dairy liquid blends of which only one brand, Numel, is currently available in South Africa. Dairy blends are a mixture of milk products, including whey.

But although Numel is better than imitation milk blends, they argue that its composition makes it unsuitable as a breast-milk substitute for infants but it could be included as part of a mixed diet in babies from about the age of seven months.

Dairy powder blends, like Numel in particular, provide an economical, convenient and nutri-

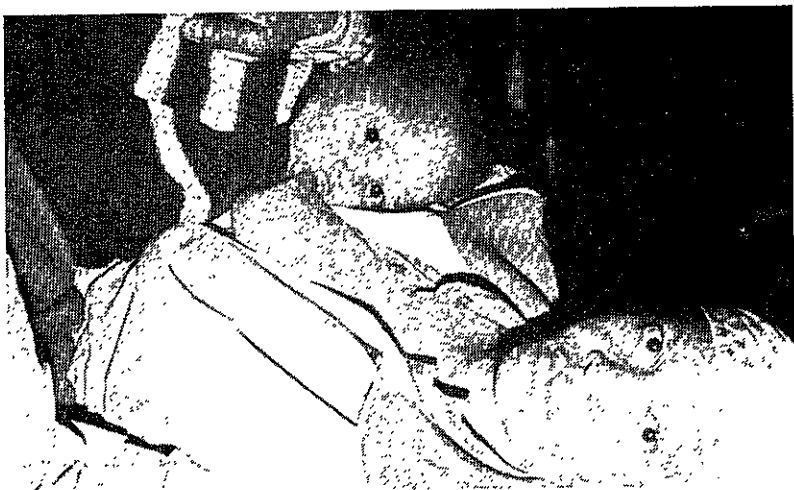
tionally satisfactory source of milk for low-income families, they added.

Their research further indicated that while skim milk powder could be added to the mixed diet of toddlers and young children to supplement their protein and calcium intake, it was not suitable for infants under 12 months of age because of its low fat and energy content.

The Associations stressed that breast milk was the most appropriate food for a baby for at least the first six months of its life. But if the child is able to suckle for longer, it could only be to its advantage. In the absence of breast-feeding, only recognised infant formulas should be allowed for at least the first three months.

Thereafter, full cream milk, including commercial equivalents such as Ultra High Temperature, Ultra Pasteurised, Longlife milk, and reconstituted full cream milk powder or evaporated milk, could be given.

Milk remains an essential food for growth even after a mixed diet has been introduced



**Breastfeeding is best but...** PHOTOGRAPH: Yunus Mohamed  
between the ages of four to six months. In conclusion, all children over the age of nine months should have about 400 to 600ml, or two cups of milk per day, they said. □

# Drop controls on milk surpluses

GILLIAN HAYNE

THE Dairy Board's control of milk surpluses should be scrapped, says a key farmers' organisation.

The National Dairy Committee of the SA Agricultural Union also wants the abolition of the minimum price for milk.

Committee chairman Lukas van Vuuren said after a meeting in Pretoria yesterday that the Dairy Board should determine the milk surplus on April 30 and remove that surplus using mechanisms from the existing system.

From May, disposing of surpluses should be the responsibility of milk buyers, Van Vuuren said.

The board collects levies from bulk milk buyers and passes it on to those who convert the surplus into skim-milk powder and butter. The levy is used to cover the shortfall in selling the powder and butter

on the international market.

The criticism of the present system is that although all milk distributors are expected to pay the levies, only those linked to industrial facilities producing skim-milk powder and butter receive financial assistance from the Dairy Board.

The committee also believed the responsibility for product marketing should be left entirely in the hands of the milk buyer or marketer. At present part of the levy paid on milk is used for marketing purposes, and there have been complaints about the allocation of the marketing funds.

Van Vuuren said the resolutions were adopted with majority votes and the recommendations were passed to the Board.

11/12/79  
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③ Dairy + milk

APG 11-1/3/91

# Dairy body's call sours court action

3 MAY

By JOHN VILJOEN, Supreme Court Reporter

A CALL by the National Dairy Committee to abolish Dairy Board levies and subsidies has led to a postponement in a court action brought by an independent dairy against the "unfair" levies.

Homestead Independent Dairy brought the action in the Cape Supreme Court against the Dairy Board, the Minister of Agriculture and the National Marketing Council.

The dairy has asked the court to declare null and void what it claims is an unfair system of levies which, say the dairy, have the effect of subsidising their opposition.

In Pretoria last week, an overwhelming majority of the 9 000 members of the SA Agricultural Union's National Dairy Committee voted to abolish the Dairy Board's system of levies and subsidies.

As a result, the parties in the Cape Town court action agreed to postpone the hearing until May 20.

In earlier evidence, Homestead managing director Mr John Jacobs said the eight dairy farmers on the 13-member Dairy Board could not be said to be representing dairy farmers' true interests.

Each of the eight were either directors or shareholders of one or other of the six companies which annually received millions of rands in subsidies from the Dairy Board, he said.

Mr Justice A M van Niekerk is presiding. Mr W G Thring, assisted by Mr J Dickerson and instructed by Bornman and Hayward, appears for Homestead. Mr F Terblanche, assisted by Mr J Vorster and instructed by Van der Spuy and Associates and the State Attorney, appears for the defendants.



# DAIRY INDUSTRY <sup>(3) Dairy + milk</sup> REACHING A BOIL

SA's agricultural sector could soon be revolutionised. Last week, the National Dairy Committee of the SA Agricultural Union — representing some 9 000 milk producers — voted to scrap the controversial milk levy and producer floor price.

Of course, only the minister of agriculture, acting on the recommendation of the Dairy Board, has the power to abolish the scheme, and the committee's recommendation could well be defeated at the board's meeting on March 18. Certainly it would be in the board's interests to quash the motion. Scrapping the levy would call into question all levies right across agriculture and, indeed, the need for regulatory boards at all.

It is unlikely, however, that the board can ignore the producers completely, especially since eight of the 13 board members are producers. Discontent in the industry has intensified as an increasing number of dairies refuse to pay levies to the board. At least three court cases are pending as the board tries to claim outstanding levies. The most recent — an application in the Cape Town Supreme Court by the Cape-based Homestead Independent Dairy to set aside the levy system — was adjourned after the committee's vote. Proceedings are directed against the minister, the Dairy Board and the National Marketing Committee.

Ironically, the dairy industry is probably SA's least regulated agricultural industry. The milk price was deregulated in 1983 and, in real terms, milk is cheaper now than it was eight years ago. But deregulation can still go much further. The floor price, strict health regulations that hinder upstart competitors and the system of levies remain.

Not all levies are a problem, says Sakkie Kruger of Nels Bliss Dairies, one of SA's largest independents. "At one time we didn't mind paying for the board's administrative and advertising costs." Recently, the board won a court case against Nels after the dairy stopped paying the levies; the case is now on appeal.

The bone of contention is the compulsory stabilisation levy — now 4,97c/l — payable to the board by all wholesale milk buyers. In a system that goes back to 1930, this money is pooled in a stabilisation fund that is used to subsidise dairies manufacturing butter, skim milk powder and cheese when there is a

surplus of these products. Dairies that are only in the fresh milk market argue that they receive no subsidy and, therefore, no benefit from the levy. They believe the system favours the big manufacturers at their expense. "We resent subsidising the opposition," say many small dairies.

National Co-operative Dairies CE Japie Dreyer disagrees. He believes that everyone in the industry benefits from the levies. "The levy is in a sense like an insurance premium. Everyone pays the premium to cover risk, but not everyone has a claim. This way, the non-manufacturing dairies are assured that their surpluses will be bought." But Kruger retorts that insurance payments are not compulsory.

Dreyer admits that the five biggest manufacturers receive the largest subsidies. "They also make the largest contributions." But he hastens to add that, despite the subsidies, his company loses money on the removal of surplus butter and skim milk powder. This is because the board pays manufacturers the floor price — 45c plus production costs — rather than the market price, which is between 65c-80c (*Business* February 1).

Kruger applauds the committee's decision that the responsibility for marketing be left entirely to the wholesale milk buyers. "We will dispose of our own surplus. We don't want to pass the levy on to the consumer or the farmer and we certainly don't want to

pay it ourselves."

Kruger says Nels has successfully curtailed its surplus by introducing quotas for its farmers. If farmers exceed these quotas, they are paid lower prices on the excess milk. Kruger feels "the majority of farmers are happy this way." He believes that small dairies would also, in the absence of the current surplus removal scheme, be able to cope. "Their losses would be far less than the yearly levies paid because the surplus would be offset by the shortages of the winter months."

The committee's Tiny Liebenberg doesn't think the system is loaded in favour of anyone. He believes that misunderstanding as to the workings of the scheme has led to discontent in the industry. He says the committee's decision was largely a protest vote against all the uncertainty in the industry. "We still need regulation, but rules must be clear to prevent manipulation and mistrust."

Clearly the industry remains divided. Advocates of the levy system believe the industry needs a stabilising force. Seasonal and cyclical conditions, they say, make the industry unsuitable for regulation by the free market alone.

Critics of the system, however, say existing regulations only serve entrenched interests. Not having benefited from the scheme, they see no reason for keeping it. They say laws of supply and demand would iron out

the creases in the industry. Lieb Niewoudt, professor of agricultural economics at the University of Natal, Maritzburg, says the present system is open to abuse. "Though the free market is more uncertain, it is also more flexible. Controls inevitably lead to increased prices. Freedom of trade and sale are essential."

Dreyer claims that chaos will result if the levy or the board itself was abolished. "The industry does not operate on high profit margins and stabilisation is needed. Competitiveness and price-cutting would sink the industry."

Kruger disagrees. He can't see any benefits in a compulsory system. "If manufacturers want a stabilisation fund, it can be on a voluntary basis." He doesn't believe the industry needs propping up. "The industry is too big to fall flat because of uncollected levies. The cows will continue to supply milk, factories will run, and the consumer will get cheaper milk."

# Farmers vote against Dairy Board subsidies

STANDARD (13/3/71)

(2) Dairy + milk

DAIRY farmers have voted for the abolition of the Dairy Board's controversial system of "stabilisation" levies and subsidies.

The vote, at a meeting of the National Dairy Committee on February 22, led to the postponement of a court case between a small dairy in the Western Cape and the milk authorities over a levy.

The case, involving Minister of Agriculture, the board and the Department of Agriculture's National Marketing Council, was postponed after three weeks of evidence.

Homestead Dairy has alleged that part of the 6c/litre levy, imposed on 580 milk buyers and distributors, is be-

By JANE ARBOUS

ing used by the board to subsidise opposition co-ops and manufacturers.

Edu Roux, general manager of the Dairy Services Organisation, said the National Dairy Committee's recommendation "bears no relation to the Supreme Court action".

The Dairy Board, not the committee, was the policy-maker with regard to stabilisation of the industry.

But he added: "The Dairy Board will take cognisance of the recommendation and will discuss it at its next meeting."

# Milk levy rise pushes up bills

GILLIAN HAYNE

A TECHNICAL adjustment in the milk levy has resulted in massive increases in bulk milk buyers' annual levy bills, dairy industry spokesmen say.

The adjustment, a redefinition of the protein and butterfat content and an increase in the administrative levy which is used for industry services, such as bursaries and milk recording schemes, has raised the levy to 6,408c/l from 6,066c/l. The increase came into effect on March 1.

For a medium-size dairy selling about two-million litres a month, the adjustment will add about R80.000 to its annual levy bill.

Dairy Services Organisation assistant GM Chris Lerm said the increase had been larger than in previous years because about 20% of the farmers were not paying their levies. This had put the Dairy Board into a tight cash flow position.

"In the past we calculated the levies on the total

milk produced in SA, but found that despite the books looking healthy, our cash flow position was critical. "We have now calculated the figure on the milk produced by the 80% that do pay. In effect they are paying more because the others are not paying their share."

National Cooperative Dairies (NCD) CE Japie Dreyer said the increase in the levy had not made a big difference to the NCD as it had been included in costs and budgeting processes determined in December. He said the industry had been given ample time to make allowances for the increase.

The 6,408c/l levy is broken down into 0,148c/l for the industry service; 0,790c/l for marketing; 4,970c/l for the stabilisation fund and 0,5c/l for administration.

The change comes at a time when dairy farmers in most parts of SA have vot-

ed in favour of abolishing levies and any mechanisms to stabilise the industry, making the farmer responsible for disposing of surpluses.

The Dairy Board announced yesterday that it had voted to maintain statutory stabilisation policies. At a board meeting the recommendation by the National Dairy Committee calling for abolition of the stabilisation levy and minimum price was discussed.

Lerm said the board decided to ask all major players in the industry to make recommendations.

What's really swimming around in your daily cuppa

# Dairy puts the brakes on the milk run

Milk deliveries in glass bottles are soon to be a thing of the past. The writing has been on the wall for some time now but became legible with the stopping of deliveries in Johannesburg by Nels Dairies of skim milk in glass bottles.

There was not enough demand, they said. The demise of the skim milk deliveries inspired the question to the dairies and what was the Dairy Board — now known as the Dairy Services Organisation — on whether there was a shift in the tastes of consumers and whether skim milk was beneficial to health in any way that low fat milk was not.

However, extracting information from dairies and the dairy organisation proved an insurmountable obstacle — a pity as South African consumers deserve to know a bit about their pinta.

For those concerned about deliveries it is a moot point just how much energy is being saved by having milk delivered in glass bottles. A glass bottle is only cheaper if it can be re-used many times and this means consumers have to return them intact.

According to NCD's Nic Pieterse, five to 10 years ago one could expect a bottle to make 20 to 25 trips. Now, with a very small deposit not acting as any incentive, a bottle is not likely to be recycled more than five or six times. Furthermore, there are fewer and fewer customers so the delivery cart often has to make a long journey for just a couple of customers.

But back to the contents. It is well-known that full-cream milk contains the kind of fat which is associated with heart disease. It is less well-known that this does not in fact constitute the bulk of the milk but is only around six percent at most (90 percent is

## CRITICAL CONSUMER



Pat Sidley

water and the rest various other items like calcium and vitamins). Wits professor Harry Seffel believes that unless consumers drink vast volumes of milk daily, milk is not a great problem to those who need to cut back on saturated fats — or, for those who don't know the jargon, the bad fat which gives heart disease.

But what kinds of milk are available and what else is in milk that we need (or don't need)? In most large-urban supermarkets, consumers will be faced with the three major types of milk: full-cream, low-fat and skim. They may also find ultra heat treated milk (UHT — like Ultramel), skimmed milk powder, milk blends, milk concentrate, condensed milk, full-cream milk powder, sterilised milk and in some areas milk that has not been homogenised or even in some areas pasteurised.

Homogenised milk has had the fat globules broken up and distributed evenly so that it does not form a creamy layer at the top. UHT milk, which often has a "cooked" taste, is a long-life milk which has been heated to at least 132°C for just one or two seconds. The short heat treatment ensures that few of the nutrients

are lost. Pieterse contends that UHT milks in South Africa taste less "cooked" than elsewhere as we use newer technology. This process is unlike that used for sterilised milk in which the milk is heated to around 115°C for between 15 and 40 minutes and several of the vitamins are reduced.

Skimmed milk powder is popular, with about 80 000 litres of it consumed daily. Surprisingly it is not used by people without access to refrigerators but is bought almost entirely by white, AB income consumers, says Pieterse. Black consumers prefer full-cream milk powder which is processed in similar way. Condensed milk and milk concentrate are partially evaporated milks that have been reconstituted by dilution with water.

About a half a litre of milk would provide 500mg of calcium, which is a recommended daily intake. In South Africa, where much of the population is impoverished, daily intakes among blacks are more likely to be 200 or 300 mg, says Seffel. Among whites the average is likely to be about 730mg for women and 940mg for men according to the CA — figures that are likely to apply to whites in South Africa.

This may not be all that's in your daily litre. There is the possibility that residues from pesticides sprayed onto crops will find their way into your milk and the occasional antibiotic used to treat an ailing cow may also find its way in in minute quantities as well as various bacteria, dioxins and the odd hormone.

However, as so few of the industry spokesmen find themselves willing to inform their customers, we will probably never know exactly what else is swimming around the morning cereal or in your much-needed cuppa.

# Attorneys losing out, De Rebus survey shows

B1 Day 24/6/91

TIM COHEN

A SURVEY in the latest issue of the attorneys' journal De Rebus indicates that advocates earned on average 29% more than attorneys last year, providing ammunition for the argument that attorneys should have Supreme Court appearance rights.

In addition, the Law Society of the Transvaal has released the Pretoria Bar Council's suggested parameters for fees which say top advocates should charge up to R36 000 for a week's work in court.

The survey produced by De Rebus indicates that advocates earned on average R129 400 last year compared with R100 700 by attorneys.

The survey, which canvassed self-employed people in a large variety of professions, places advocates 17th on the list, earning about the same as plastic surgeons and auditors, while attorneys are 35th on the list, earning about as much as doctors in general practice.

The author of the article, Mauritz Bobbert, writes that the top 25% of advocates earned more than R250 000 last year on average, while the top 25% of attorneys earned about R150 000. The bottom 25% of both professions both earned about R73 000.

The Law Society of the Transvaal included in their newsletter the pro-

posed parameters for advocates' fees which were released to the organisation by the Pretoria Bar Council.

"The council does not approve of these parameters and it is published only for the information of members," the insert in the newsletter says. "On the contrary, the council has indicated to the Bar Council that a reasonable hourly tariff for advocates should be considered which will be payable only for work done."

The parameters suggested range from R45 to R75 per half-hour consultation for a junior advocate with less than five years' experience, to between R210 and R270 for a senior advocate with six years' experience.

For chamber work the figures are R30 to R50 and R140 to R180 respectively and for Supreme Court work R600 to R1 200 per day and R3 000 to R6 000 a day respectively.

Association of Law Societies director general Andre van Vuuren says access to the courts would be enhanced if more of the profession's members could argue cases in the Supreme Court.

If qualified attorneys have the right of appearance, there will be more actors in the field and the competition will force down prices.

# Mandela named for presidency

B1 Day 24/6/91  
TIM COHEN

NELSON Mandela has been nominated for the ANC presidency by two of the strongest regions, while Walter Sisulu is being backed by Border for the deputy-presidency, regional spokesmen said at the weekend.

Border and Natal have not nominated ANC president Oliver Tambo for any of the ANC's top five posts.

They have also failed to nominate Umkhonto we Sizwe chief of staff Chris Hani or international affairs head Thabo Mbeki for any of the top five posts, which will avert a "hawks versus doves" battle, but they both have been nominated for NEC posts.

Other than Nelson Mandela, the only common nomination for the top five is ANC NEC member Jacob Zuma.

Border has also nominated regional chairman the Rev Arnold Stofile for secretary-general, Jacob Zuma for treasurer-general and trade unionist Cyril Ramaphosa for assistant secretary-general.

ANC southern Natal spokesman Linda Zama said at the weekend that Natal Midlands ANC leader Harry Gwala and been nominated for deputy president, Jacob Zuma for secretary-general, Mendi Msimang (currently the organisation's London representative) for treasurer-general and former UDF leader Popo Moiefe for assistant secretary-general.

## Four die in unrest

PRETORIA — Four people were killed, several others were injured and arrests were made on Saturday in unrest-related incidents, police said yesterday in their unrest report.

Police also said they had arrested 49 ANC supporters in Dysselsdorp, near Oudtshoorn, after they occupied the local charge office and then held a policeman hostage. — Sapa.

## Protein to raise milk yield gets nod

PAUL ASH

A SYNTHETIC protein which boosts the milk yield of dairy cows by an average 10%-20% has been cleared for distribution in SA after creating a storm in Europe and being banned in some US states.

Bovine Somatotropin (BST), developed by international pharmaceuticals and chemicals manufacturer Montsano, created controversy in Europe and the US when it was tested late last year.

Johannesburg-based vet Dr Chris Palmer, who has been involved with the local testing of BST, said most farmers welcomed the introduction of the product.

"BST is the cheapest and most efficient short-term means of increasing production available to the farmer without additional capital outlay," he said. Farmers using BST would recoup the cost of the product by the end of each month.

The average cow produces 12-14l of milk a day and use of BST could boost the daily

yield by approximately 2-5kg, Palmer said. (S) MILK & DAIRY

In the US, some dairy farmers, aided by the Foundation for Economic Trends, opposed the product, fearing that increases in production would put less efficient farmers out of business.

Despite a ruling from the US Food and Drug Administration that the product was harmless, consumer fears persisted and some states banned distribution of BST.

BST received a similar welcome in the EC. Attempts were made to capitalise on public fears that consumption of BST, which is identical to the hormone which stimulates milk production in cows, would endanger consumer health.

But doctors say traces of bovine growth hormone present in milk is destroyed in the human digestive system.

mbined  
ckaging  
nited

B1 Day 24/6/91

**SCHEDULE**

1. In this Schedule, unless the context indicates otherwise, the expression "the Regulations" means the Regulations published by Government Notice No. R. 2290 of 31 October 1986, as amended by Government Notices Nos. R. 1104 of 22 May 1987, R. 1701 of 7 August 1987, R. 872 of 5 May 1988, R. 339 of 3 March 1989, R. 2659 of 8 December 1989 and R. 425 of 2 March 1990.

2. Regulation 3 of the Regulations is hereby amended—

(a) by the insertion at the end of paragraph (a) of subregulation (1) of the following proviso:

"Provided that any such person who is employed in a teaching post on a part-time basis, shall pay no annual fee."; and

(b) by the insertion at the end of paragraph (a) of subregulation (3) of the following proviso:

"Provided that the fee in respect of a person employed in a teaching post on a part-time basis, shall be R10;"

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**DEPARTMENT OF LOCAL GOVERNMENT,  
HOUSING AND WORKS**

No. R. 1286

7 June 1991

**ESTABLISHMENT OF NIGEL RURAL COUNCIL**

In terms of the powers vested in me by section 12A of the Regional Services Councils Act, 1985 (Act No. 109 of 1985), I, Hermanus Jacobus Kriel, Minister of Local Government, hereby establish with effect from 7 June 1991 a rural council for the White population group to be known as the Nigel Rural Council for the area as defined in the Schedule hereof, and determine under regulation 2 (1) of the Regulations Regarding Rural Councils as promulgated by Government Notice No. R. 2610 dated 23 December 1988, that the said Rural Council shall consist of five members.

**H. J. KRIEL,**

Minister of Local Government.

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**DEPARTMENT OF AGRICULTURE**

No. R. 1246

7 June 1991

**MARKETING ACT, 1968  
(ACT No. 59 OF 1968)**

**DAIRY SCHEME: RETURNS**

I, André Isak van Niekerk, Minister of Agriculture, hereby make known in terms of section 79 of the Marketing Act, 1968 (Act No. 59 of 1968), that—

(a) The Dairy Board referred to in section 6 of the Dairy Scheme published by Proclamation No. R. 290 of 1978, as amended, has under section 29 of the said Scheme issued the directions and requirements set out in the Schedule;

**BYLAE**

1. In hierdie Bylae, tensy uit die samehang anders blyk, beteken die uitdrukking "die Regulasies" die Regulasies afgekondig by Goewermentskennisgewing No. R. 2290 van 31 Oktober 1986, soos gewysig by Goewermentskennisgewings Nos. R. 1104 van 22 Mei 1987, R. 1701 van 7 Augustus 1987, R. 872 van 5 Mei 1988, R. 339 van 3 Maart 1989, R. 2659 van 8 Desember 1989 en R. 425 van 2 Maart 1990.

2. Regulasie 3 van die Regulasies word hierby gewysig—

(a) deur aan die einde van paragraaf (a) van subregulasie (1) die volgende voorbehoudsbepaling in te voeg:

"Met dien verstande dat enige sodanige persoon wat op 'n deelydse basis in diens is in 'n onderwyspos, geen jaargeld betaal nie."; en

(b) deur aan die einde van paragraaf (a) van subregulasie (3) die volgende voorbehoudsbepaling in te voeg:

"Met dien verstande dat die gelde ten opsigte van 'n persoon wat op 'n deelydse basis in diens is in 'n onderwyspos R10 is;"

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**DEPARTEMENT VAN PLAASLIKE BESTUUR,  
BEHUISING EN WERKE**

No. R. 1286

7 Junie 1991

**INSTELLING VAN NIGEL LANDELIKE RAAD**

Kragtens die bevoegdheid my verleen by artikel 12A van die Wet op Streeksdiensterade, 1985 (Wet No. 109 van 1985), stel ek, Hermanus Jacobus Kriel, Minister van Plaaslike Bestuur, hierby met ingang van 7 Junie 1991, 'n landelike raad vir die Blanke bevolkingsgroep in, wat bekend sal staan as Nigel Landelike Raad vir die gebied soos omskryf in die Bylae hiervan, en bepaal kragtens regulasie 2 (1) van die Regulasies Betreffende Landelike Rade, soos afgekondig by Goewermentskennisgewing No. R. 2610, gedateer 23 Desember 1988, dat gemelde Landelike Raad uit vyf lede sal bestaan.

**H. J. KRIEL,**

Minister van Plaaslike Bestuur.

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**DEPARTEMENT VAN LANDBOU**

No. R. 1246

7 Junie 1991

**BEMARKINGSWET, 1968  
(WET No. 59 VAN 1968)**

**SUIWELSKEMA: OPGAWES**

Ek, André Isak van Niekerk, Minister van Landbou, maak hiermee ingevolge artikel 79 van die Bemerkingswet, 1968 (Wet No. 59 van 1968), bekend dat—

(a) die Suiwelraad bedoel in artikel 6 van die Suiwelskema gepubliseer by Proklamasie No. R. 290 van 1978, soos gewysig, kragtens artikel 29 van genoemde Skema die lasgewings en voorskrifte in die Bylae uiteengesit, uitgereik het; en

(b) the said directions and requirements have been approved by me and shall come into operation on the date of the publication hereof.

**A. I. VAN NIEKERK,**  
Minister of Agriculture.

(3) pain  
+  
milk.

### SCHEDULE

#### Definitions

1. Any word or expression in this Schedule to which a meaning has been assigned in the Scheme shall have that meaning, and "the Scheme" means the Dairy Scheme published by Proclamation No. R. 290 of 1978, as amended.

#### Returns relating to dairy products

2. (1) Each milk purchaser and raw milk dealer shall monthly present to the Board a return in which the following details are rendered—

(a) the number of producers of milk and the total mass or quantity of milk supplied to such milk purchaser or raw milk dealer by these producers;

(b) the mass or quantity of milk supplied to such milk purchaser or raw milk dealer by each individual producer of milk, other person or instance;

(c) the manner in which thus acquired milk was utilised; and

(d) the production or manufacturing, sales, imports, exports and stock of dairy products of such milk purchaser or raw milk dealer.

(2) Each farm cheesemaker shall monthly present to the Board a return in which details are rendered regarding such farm cheesemaker's—

(a) milk production; and

(b) utilisation of milk during that month.

(3) Each producer-distributor of milk shall monthly present to the Board a return in which details are rendered regarding such producer-distributor's—

(a) milk production;

(b) purchases of milk in pre-packed household sizes; and

(c) utilisation of milk during that month.

(4) Each producer of milk shall monthly present to the Board a return in which details are rendered regarding milk that was sold by such producer in bulk or in cans to persons in a self-governing territory or state, the territory of which formerly formed part of the Republic.

(5) Each butter manufacturer shall monthly present to the Board a return in which details are rendered regarding such butter manufacturer's—

(a) stock, source and utilisation of butterfat; and

(b) production, re-processing, imports, exports, purchases, sales and stock of butter.

(b) genoemde lasgewings en voorskrifte deur my goedgekeur is en op die datum van publikasie hiervan in werking tree.

**A. I. VAN NIEKERK,**  
Minister van Landbou.

### BYLAE

#### Woordomskrywing

1. In hierdie Bylae het enige woord of uitdrukking waaraan 'n betekenis in die Skema geheg is, daardie betekenis, en beteken "die Skema" die Suiwelskema gepubliseer by Proklamasie No. R. 290 van 1978, soos gewysig.

#### Opgawes betreffende suiwelprodukte

2. (1) Elke melkkoper en roumelkhandelaar moet maandeliks 'n opgawe by die Raad indien waarin die volgende inligting verstrek word—

(a) die aantal produsente van melk en die totale massa of hoeveelheid melk deur hierdie produsente aan sodanige melkkoper of roumelkhandelaar gelever;

(b) die massa of hoeveelheid melk wat elke individuele produsent van melk, ander persoon of instansie aan sodanige melkkoper of roumelkhandelaar gelever het;

(c) die wyse waarop aldus verkreeë melk aangewend is;

(d) sodanige melkkoper of roumelkhandelaar se produksie of vervaardiging, verkope, invoere, uitvoere en voorraad van suiwelprodukte.

(2) Elke plaaskaasmaker moet maandeliks 'n opgawe by die Raad indien waarin besonderhede verstrek word aangaande sodanige plaaskaasmaker se—

(a) melkproduksie; en

(b) aanwendig van melk gedurende daardie maand.

(3) Elke produsent-distribueerder van melk moet maandeliks 'n opgawe by die Raad indien waarin besonderhede verstrek word aangaande sodanige produsent-distribueerder se—

(a) melkproduksie;

(b) aankope van melk in voorafverpakte huishoudelike groottes; en

(c) aanwending van melk gedurende daardie maand.

(4) Elke produsent van melk moet maandeliks 'n opgawe by die Raad indien waarin besonderhede verstrek word aangaande melk wat deur sodanige produsent in losmaat of in kanne verkoop is aan persone in 'n selfregerende gebied of staat waarvan die grondgebied voorheen deel gevorm het van die Republiek.

(5) Elke bottervervaardiger moet maandeliks 'n opgawe by die Raad indien waarin besonderhede verstrek word aangaande sodanige bottervervaardiger se—

(a) voorraad, bron en aanwendig van bottervet; en

(b) vervaardiging, herverwerking, invoere, uitvoere, aankope, verkope en voorraad van botter.

(6) Each process cheese manufacturer shall monthly present to the Board a return in which details are rendered regarding such process cheese manufacturer's production, exports, sales and stock of process cheese. (3) *Dairy + milk.*

(7) Each person specified in subclauses (1) to (5) shall monthly present to the Board a return in which details are rendered regarding levies and special levies on dairy products which are payable by such person to the Board in terms of sections 21 and 22 of the Scheme.

(8) If any person specified in subclauses (1) to (6) did not conclude transactions with regard to dairy products during a specific month, such person shall submit a nil return in respect of that month to the Board.

**Manner in which returns have to be rendered**

3. (1) Subject to the provisions of subclause (2), a return referred to in clause 2 shall—

(a) be furnished on the applicable form obtainable on request from the Board for this purpose;

(b) be entered in indelible ink on the form concerned; and

(c) be furnished to reach the Manager of the Board before or on the 15th day of the month first following the month to which the return concerned refers.

(2) The Board may on application grant permission that a computer print-out showing the relevant particulars referred to in clause 2 and 3 (1), be deemed to be the applicable form referred to in subclause (1) (a).

No. R. 1265

7 June 1991

WINE AND SPIRIT CONTROL ACT, 1970  
(ACT No. 47 OF 1970)

1. TRANSPORT COSTS IN RESPECT OF GOOD WINE *(100% of the cost of wine)*

2. LEVY PAYABLE BY LICENCEES, DISTILLERS, WINEGROWERS AND CO-OPERATIVE SOCIETIES

It is hereby made known that the Ko-operatiewe Wijnbouwers Vereniging van Zuid-Afrika, Beperkt—

1. acting in terms of section 18 (8) (a) (iv) of the Wine and Spirit Control Act, 1970 (Act No. 47 of 1970), with the approval of the Minister of Agriculture, hereby prescribe that if wine referred to in section 14 is delivered during the year 1 February 1991 to 31 January 1992 by a winegrower or co-operative society at a place other than the place where such wine was produced or manufactured, or the railway station or siding nearest to such place, the transport costs set out in the table hereinafter, or the actual transport costs, whichever may be the highest in a particular case, shall be added to the price referred to in section 18 (8):

(6) Elke proseskaasvervaardiger moet maandeliks 'n opgawe by die Raad indien waarin besonderhede aangaande sodanige proseskaasvervaardiger se vervaardiging, uitvoere, verkope en voorraad van proseskaas verstrek word.

(7) Elke persoon in subklousule (1) tot (5) vermeld moet maandeliks 'n opgawe by die Raad indien waarin besonderhede verstrek word aangaande heffings en spesiale heffings op suiwelprodukte, wat ingevolge artikels 21 en 22 van die Skema deur sodanige persoon aan die Raad betaalbaar is.

(8) Indien enige persoon in subklousules (1) tot (6) vermeld, nie transaksies met betrekking tot suiwelprodukte gedurende 'n bepaalde maand aangegaan het nie, moet sodanige persoon 'n nul-opgawe ten opsigte van daardie maand aan die Raad verstrek.

**Wysse waarop opgawes verstrek moet word**

3. (1) Behoudens die bepalings van subklousule (2), moet 'n opgawe in klousule 2 bedoel—

(a) verstrek word op die toepaslike vorm wat vir dié doel op aanvraag van die Raad verkrygbaar is;

(b) in onuitwisbare ink op die betrokke vorm aange-teken word; en

(c) verstrek word om die Bestuurder van die Raad te bereik voor of op die 15de dag van die maand eersvolgende op die maand waarop die betrokke opgawe betrekking het.

(2) Die Raad kan op aansoek toestemming verleen dat 'n rekenaaruitdruk waarop die tersaaklike besonderhede in klousule 2 en 3 (1) bedoel, verskyn, geag word die toepaslike vorm in subklousule (1) (a) bedoel, te wees.

No. R. 1265

7 Junie 1991

WET OP BEHEER OOR WYN EN SPIRITUS, 1970  
(WET No. 47 VAN 1970)

1. VERVOERKOSTE TEN OPSIGTE VAN GOEIE-WYN

2. HEFFING BETAALBAAR DEUR LISENSIE-HOUERS, DISTILLEERDERS, WYNBOERE EN KOÖPERATIEWE VERENIGINGS

Hiermee word bekendgemaak dat die Ko-operatiewe Wijnbouwers Vereniging van Zuid-Afrika, Beperkt—

1. handelende kragtens artikel 18 (8) (a) (iv) van die Wet op Beheer oor Wyn en Spiritus, 1970 (Wet No. 47 van 1970), met die goedkeuring van die Minister van Landbou, hierby voorskryf dat indien wyn in artikel 14 bedoel, gedurende die jaar 1 Februarie 1991 tot 1 Januarie 1992 deur 'n wynboer of koöperatiewe vereniging gelewer word op 'n ander plek as die plek waar sodanige wyn geproduseer of vervaardig is, of die naaste spoorwegstasie of -halte aan daardie plek, die vervoerkoste in die tabel hierna vermeld, of die werklike vervoerkoste, wat ookal in 'n bepaalde geval die hoogste is, bygevoeg moet word by die prys in artikel 18 (8) bedoel:



(1) Black Township	Kilometres (a) informal roads	Kilometres (b) formal roads	(i)	(ii)	2072
Wepener (Qlbing)	Nil	14,0	1988/89	1989/90	1990/91
Wesselsbron (Monyakeng)	6,6	21,3	R	R	R
Witburg (Makeketa)	Nil	21,1	—	—	310
Zastron (Matleng)	0,6	11,2	—	—	—
(2) 11 June 1991.			—	—	—
Transvaal			72 143	183 715	274 269
(1) (a) and (b) The information is not readily available and can only be obtained at high costs.					
(2) Falls away.					

**Dairy/Meat Boards: details of cases involved**  
458. Mr E W TRENT asked the Minister of Agriculture:

Whether, with reference to his reply to Question No 250 on 10 April 1991 in regard to the firms of attorneys that acted for the various control boards over the past five years, he will furnish details, (a) in the case of the Dairy Board, of the (i) cases involved and (ii) amounts paid to the legal firm of Dyson in 1988, 1989 and 1990, respectively, and (b) in the case of the Meat Board, of the (i) cases involved and (ii) amounts paid to the legal firm of Ross and Jacobsz in 1990; if not, why not; if so, what are the relevant details?

B1186E

The MINISTER OF AGRICULTURE:

(a) Yes.	(i)	(ii)	(i)	(ii)
Annandale	1988/89	1989/90	1990/91	
Blue Grass ca	31 620	1 310	—	
Boland	37 553	124 265	10 685	
Melkbooe	2 129	900	11 470	
NCD	841	2 150	4 630	
Lease Haun	—	460	—	
Miniverpak	—	277	—	
margarine	—	7 910	—	
Kastan/Singer	—	—	—	

HOUSE OF ASSEMBLY

**Boksburg town councillors/officials: overseas trips**

459. Mr J P I BLANCHÉ asked the Minister of Planning, Provincial Affairs and National Housing:

- (1) Whether he will furnish information on overseas journeys undertaken by councillors and officials of the Boksburg town council in 1990; if not, why not; if so, (a) what was the total expenditure involved in the said journeys for this town council, (b) what are the names of the (i) councillors and officials concerned and (ii) other persons who accompanied them and (c) what was the itinerary in respect of each of these journeys;

- (2) whether, as a result of these journeys any agreements were concluded with, or support of any kind was obtained from, the parties visited; if so, (a) what is the nature of these agreements and/or support and (b)(i) with what parties were the agreements concluded and (ii) from what parties was the support obtained;
- (3) whether he will make a statement on the matter?

B1200E

The MINISTER OF PLANNING, PROVINCIAL AFFAIRS AND NATIONAL HOUSING:

- (1) (a) Approximately R137 162,00.

(b) (i) Mr P A Uys, Divisional Officer: Fire Brigade  
Councillor G H C Pretorius  
Councillor mev D S Greyling  
Mr W A Coetzee, Chief: Health Services  
Mr J J Coetzee, Town Clerk  
Councillor T J Ferreira  
Councillor C D Hawkins

(ii) None.

(c) (i) Mr P A Uys, Divisional Officer: Fire Brigade, could undertake an overseas study tour sponsored by the Fire Brigade Institute of South Africa, as part of his prize being elected as the Institute's Man of the Year. While he was overseas the Council also permitted him to attend two courses in certain aspects of fire brigade services.

**Total cost for the Council:**

R7 155,00.  
(ii) 9 September 1990 to 4 October 1990.

Councillors G H C Pretorius and Mrs D S Greyling together with Mr W A Coetzee, Chief: Health Services. Attend the "International Congress on Waste Collection and Disposal" in Amsterdam, Netherlands from 10 to 14 September 1990. The following places were also visited:

**United Kingdom**

— Waste conversion and -combustion plants in Birmingham and Coventry.  
— Waste transfer stations - handling plants and refuse dumping site in London and Bedfordshire.

**Belgium**

— Investigate local government management and health related services in Koekelberg.

— Hospitals and retirement centres for the aged in Turnhout.

— Installation for the handling of dangerous chemical waste products in Essen.

— Municipal services and housing complexes for the aged and for students in Leuven.

— Kortrijk was also visited.

**Germany**

— Main fire station, civil protection services, chemical pollution prevention unit and personnel training in Bonn.

— Place of care for economically aged persons in Bonn.

— SA Embassy in Badgodesburg.

— Fire Station in Keulen.

(ii) 7 to 26 September 1990.

Councillors T J Ferreira and C D Hawkins together with Mr J J Coetzee, Town Clerk (as head of the Civil Defence in Boksburg) attended the Civil Disaster International

HOUSE OF ASSEMBLY

## NCD milk price set to increase <sup>(3) Dairy Milk</sup>

One of the country's major milk suppliers yesterday began putting up its wholesale price.

Nick Pieterse, general manager, marketing, for NCD, confirmed that fresh milk and long-life

<sup>Star 2-18-91</sup>  
milk prices would be increased during the next few weeks.

Milk prices had already been increased to certain cafes and would also be increased to supermarkets once nego-

tiations with the chains were concluded.

He said the previous increases took place in April. These rises were mainly due to inflation and higher production costs. — Staff Reporter.

# Meat, dairy prices set to rocket

3 milk & dairy  
Star 12/8/91  
2/1/91

By George Nicholas  
Agricultural Correspondent

The price of meat, chicken, eggs and milk could rocket by up to 40 percent following the Government's decision to impose an increased import duty on soya oil-cake.

A housewife paying R16 a kilogram for beef rump would have to fork out R22,40 for the same cut and R8 a kilogram more on leg of lamb.

If the increased feed costs are passed on to consumers, the price of milk would increase from R1,60 a litre to R2,24, chicken from R6 a kilogram to R8,40 and eggs from R2,80 a dozen to R3,92.

The Government's decision to increase import duty on soya oil-cake from R240 to R285 a ton was met with strong condemnation from animal-feed manufacturers who claim that the decision threatened the entire feed and livestock industries in South Africa and that it would have a highly inflationary impact on consumer prices.

Animal Feed Manufacturers Association secretary Hansie Dekker said South Africa produced less than 50 percent of the protein required by its live-

stock population and that feed manufacturers were compelled to import oil-cake because of its high protein content.

Farmers were dependent on oil-cake, which had become essential for the provision of balanced feeds for livestock, he said.

"The industry accepts there has to be an import duty but the new figure is totally unacceptable as it penalises the entire livestock production industry.

## Effect

"What's more, the increase is going to have a ripple effect of considerable price hikes for the consumers of such products as meat, chicken, eggs and milk which, for a country where the majority of people are poor, is extremely ill-advised," Mr Bekker said.

Oil-cake shipments arrive at South African ports at regular intervals and the effect of the new duty is expected to be felt by consumers in a month or two.

The price increases affecting consumers would be in addition to the extra estimated R1 billion a year the Government stands to gain from 12 percent VAT on meat sales alone.

# Export Loss Shock

③-DAIRY MILK

②

CT 30/8/91

**PRETORIA.** — Thousands of tons of dairy products are to be exported at a loss by the Dairy Board.

The board's general manager, Mr Eddie Roux, said yesterday that most of the surplus of 7 500 tons of skimmed milk powder and 3 000 tons of butter would have to be exported at a loss to foreign markets already saturated with dairy products.

The move drew heavy criticism last night from the Democratic Party and Operation Hunger.

The organisation said 100 000 starving South Africans could have been fed on the surplus.

Mr Roux said it was not possible to estimate the possible extent of export losses. However, any loss would be met by the board's stabilisation fund, which is financed from a 5c levy on milk buyers.

In the 1983/84 financial year the board went over R30 million in the red when it exported surplus milk powder to the Far East.

In the same year the price of milk rose by nearly four cents a litre, while prices of butter (14%) and cheese (10%) were also raised.

In 1986 the board lost over R37m when it dumped 195 000 tons of skimmed milk powder. It also had a surplus of 8 000 tons of butter.

Last night Mr Ken Andrew, DP spokesman on finance, said: "It is disgraceful that South Africa should be exporting skim milk powder at a loss when a child dies every 20 minutes in this country from malnutrition.

"A way must be found for surplus essential foodstuffs such as milk powder to be purchased and distributed to those in need."

Operation Hunger deputy director Mr Mpho Mashanini said the surplus could

have helped to feed more than 100 000 people.

He said the organisation urgently needed to raise an additional R1m this month to avert suspending its feeding programmes for September and October.

The situation countrywide was becoming more desperate by the day.

Mr Roux said the surplus was a result of high production and a decline in demand for dairy products stemming from current economic conditions.

He said demand declined markedly in some areas during last year's unrest.

"Had it not been for this, we would not now be sitting with this large surplus."

The dairy surplus could not be sold locally at reduced prices as "(local) demand for dairy products is inelastic", he said.

"A drop in price, even a substantial drop, does not significantly stimulate consumption. We would still be landed with the surplus."

## Board to export

## butter at a loss

GERALD REILLY <sup>3</sup> milk

PRETORIA — The Dairy Board will export at a loss, a surplus of 7 500 tons of skimmed milk powder and 3 000 tons of butter. (1 Day) 30/8/91.

Board GM Eddie Roux said much or all of the surplus would have to be exported at a loss to foreign markets already saturated with dairy products.

The surplus resulted from high production in some areas and a decline in demand for dairy products stemming from current economic conditions.

Roux said that during last year's unrest, demand declined markedly in some areas, including the Witwatersrand.

Asked why the surplus had to be exported at a loss, when it could be sold locally at substantially reduced prices, Roux said: "Past experience has taught us that (local) demand for dairy products is inelastic and that a drop in price, even a substantial drop, does not significantly stimulate consumption."

Operation Hunger deputy director Mpho Mashanini said the surplus could have helped to feed more than 100 000 people.

The situation countrywide was becoming more desperate by the day and it was tragic that surplus food had to be exported — and at a loss, he said.

Housewives' League national president Lyn Morris said yesterday it was sad to have basic food like skimmed milk powder exported. However, economic factors had to be taken into consideration.

"Farmers cannot plan for or against a surplus and expect a return on their input costs," she said. Also, feeding schemes did not necessarily have the money to buy surpluses in addition to their normal expenditures.

HEALTH

DAIRY 13/10/91

# 'Butter better' row spreads

The Argus Correspondent

PRETORIA — The butter-versus-margarine row is spreading, with a British researcher in South Africa claiming the incidence of heart disease is higher among people who prefer margarine.

And the South African Margarine Manufacturers' Association (SAMMA) has threatened to lay a complaint with the Advertising Standards Authority (ASA) because of an advertisement by the Dairy Services Organisation (DSO) claiming that butter contained fewer kilojoules than margarine.

Dr Ann Fehily of the British Medical Research Council said her studies conducted over five years among 2 500 men in South Wales suggested dairy products such as milk and butter did not contribute to heart disease.

Of the subjects who spread butter on their bread, 5.3 percent had major ischaemic — a reduced flow of blood to the heart — heart disease or IHD event in the study period, compared with 9.6 percent among those who preferred margarine.

Among those who did not drink milk, 9.9 percent had a major IHD event, while for those who drank more than a pint a day it was only 1.2 percent.

Dr Fehily described her findings as

"cautious" and said her study, intended to span 10 years, had reached only the halfway mark.

"Indications are that the blame for ischaemic heart disease cannot be laid at the door of any single food, such as whole milk and butter, which were specifically included in the study.

"It is possible those men who chose to drink milk had a different and possibly more active, and hence health promoting, lifestyle than those who did not. Similarly, the minority of men who chose to use margarine rather than butter might well have had a family or personal history of ischaemic heart disease.

Although these findings now had to be studied, Dr Fehily said it was clear consumption of whole milk and butter did not in itself cause heart disease.

SAMMA chairman Mr Rick Griffiths said the DSO's claim about the kilojoule content of butter was based on "flimsy" evidence obtained from overseas sources.

"No research has been done on the exact kilojoule content of either South African butter or margarine."

The difference in kilojoule content, based on international research, was so small as to be negligible, margarine having a slightly lower kilojoule content in most cases.

# Margarine makers slam butter ad

OWN CORRESPONDENT  
JOHANNESBURG. — Margarine manufacturers have furiously attacked the Dairy Board's new television advertising campaign which claims that butter has fewer kilojoules than margarine.

SA Margarine Manufacturers' Association chairman Mr Rick Griffiths said the advertisement appeared to be in contravention of South Africa's comparative advertising laws — and, he claimed,

was in any case untrue. To support the advertiser's claim, Mr Jan Groenewald, a spokesman for the Dairy Service Organisation, quoted statistics published by the SA Medical Research Council which indicate that there are 15,000 kilojoules in every 500g of butter, compared with 16,000 kilojoules for margarine.

But Mr Griffiths hit back at the weekend. "Should direct advertising

comparisons be allowed, the margarine industry would be in the strong position of making advantageous claims against butter on the basis of reduced fat, lower saturated fat, less cholesterol and higher polyunsaturated fat levels, as well as more general factors such as spreadability and choice."

Mrs Rika de Ruiter, confirmed that butter contained high levels of cholesterol and

saturated fats of the type which raised cholesterol levels in the blood.

Mr Groenewald said the advertisement formed part of an information drive to correct what it saw as a wrong perception among people that butter contained more kilojoules than margarine.

The television advertisements would be followed up by an intensive campaign in the print media, he said.

dairies are refusing to pay the levies.

Last week the board responded. Not surprisingly, the milk levy and producer floor price remain. Instead, the board did what any bureaucracy would do to stay in business — it proposed new regulations aimed at tossing a bone to all the threatening lobbies nipping at its heels. In fact, the board worked closely with the dairy committee, after it changed its position in May, in devising the new market stabilisation scheme for the industry.

In a nutshell, the producers would be guaranteed a "minimum price" for their milk — roughly 70% of the average producer price — as opposed to the low floor price of 45c/l now. Manufacturers are guaranteed a "fair" price for their butter and skimmed milk powder. Buyers who encourage super surpluses that are exported at huge losses will no longer be subsidised. A compulsory stabilisation levy still stands but it is lower than the current 4,97c/l. The scheme would take effect by March and comment will be heard until November.

Like clever bureaucrats everywhere, those at the board are creating more work for themselves. "There's no question that there will be more administration involved," says Chris Lerm of the Dairy Services Organisation, the board's agent. "It's not an easy system but the advantages will be better understood." Still, the complexity of the scheme could be its undoing. Three major players in the industry that the FM spoke to — including a board member — did not agree on the facts of the scheme.

The new plan appears to be doing its job of placating at least some of the opposition. Nels Dairies, which is involved in one of the court cases challenging the board, has indicated support. National Co-operative Dairies, SA's largest dairy co-op, also supports the proposal.

But the board has not bent enough for some dairies. Homestead's John Jacobs says the new scheme is a rework of the old one and he plans to push ahead with his company's court case, which resumes in November, and with not paying the levies.

"Everybody under the new system still pays a compulsory levy, but only the five biggest manufacturers benefit because they're the only ones who have the equipment to process milk into long-life dairy goods," says Jacobs. "Though provision is made for all contributors to the fund to claim back subsidies from the fund, in practice the smaller dairies won't be able to reclaim because they don't make long-life products. At the end of the day, their levies are still used to subsidise the Big Five. If the fund is designed so that you can withdraw everything you put in, why have it at all?"

The scheme defines three milk types:

- Milk that can be sold easily at a profit — 85% of the domestic market;
- Balancing milk, the other 15%. Strictly speaking this is a domestic surplus but it is perceived by the board as necessary to balance the domestic market during seasonal

cycles. This milk fetches lower prices because it is processed into skimmed milk powder and butter; and

- Super surpluses that occur every few years and are exported at massive losses.

A complex balancing system — involving balancing agents, a balancing fund, target prices and guarantee prices — would be used to dispose of the 15% domestic surplus. But the most far-reaching aspect of the scheme is a quota system the board wants to introduce to deal with the super surpluses.

Homestead's Jacobs calls the quota system communist but it would end the subsidies for export losses and probably curb the huge surpluses, which are expected to reach 3 000 t of butter and 7 500 t of skimmed milk powder by February. However, critics argue that total deregulation of the industry would succeed just as well and be less costly than increasing the already-bloated bureaucracy. Left to market forces, they argue, production would be regulated by the law of supply and demand.

Says Lieb Niewoudt, professor of agricultural economics at the University of Natal, Maritzburg: "Controls inevitably lead to abuse and increased prices for the consumer. Though the free market is more uncertain, it's also more flexible."

The board's Lerm claims that a deregulated industry would be able to supply only 85% of the milk needed for the local market because of seasonal and cyclical extremes. "Everyone needs to subsidise the market because otherwise we would have shortages in winter and excesses in summer. Manufacturers wouldn't produce butter and skimmed milk powder on their own because they aren't profitable." Dropping prices to the consumer during times of surplus also would not work, he believes, because the market is inelastic — lower prices affect demand only a little.

Homestead's Jacobs, however, says he challenges the board to lower prices to the consumer and see just how elastic the market can be.

Mirryna Deeb

DAIRY INDUSTRY

(3) Dairy Milk  
FM 24/9/91

Quieting the critics

Seven months ago the National Dairy Committee of SA, representing about 9 000 disgruntled milk producers, called for the scrapping of the milk levy and the producer floor price — a reform that ultimately would put the Dairy Board out of business and question the need for any government regulatory boards in agriculture.

The move was radical, in SA terms, but farmers were adamant. The board had failed to curb the huge milk surplus and the farmers' losses were mounting (*Business & Technology* March 8). When the board was not busy fending off farmers, it was besieged by distributors, who were challenging the board's stranglehold on the industry by refusing to pay the compulsory levies and ending up in court with the board. The court cases are still pending and 366 of SA's 580



# State should give free milk

South 31/10 - 6/11/91

③ milk + dairy

By Heather Robertson

NATIONALISING the milk industry would be a solution to the problem of high prices, health professionals at the Child Health Priorities Conference of the Medical Research Council recommended this week.

Another option would be for the state to produce a low cost national milk powder, they said.

"If milk is seen as a medicine then the state should be responsible for buying milk and supplying it free," said Dr Marion Jacobs of Red Cross Children's Hospital.

Clinic sisters and doctors from around the country reported prices of milk formulas had increased beyond the means of poorer people, particu-

larly in rural areas like Venda and Lebowa.

A clinic sister from Hermanus disclosed she had not sold milk over the last two years as it was too expensive.

A Dr Martini of Inqualife, Johannesburg equivalent of Cape-based Manna which sells low cost food to the poor, said he believed milk formula companies "still have something up their sleeves".

"Their subsidies to us traders is a marketing method of getting more milk to people. In Venda and Gazankulu there are hardly any milk products at all because people cannot afford to buy them."

He reported most of the medical problems in these areas were pellagra (a disease caused by a vitamin deficiency) and related mental disabilities

due to malnutrition.

Mr Nick Partington, Nestle's representative at the conference, said Nestle's pricing structure was complex. He said higher prices to supermarkets subsidised low prices for government tenders like hospitals and clinics.

Mr Karriem Adams of Manna argued monopoly control of the infant formula business was the major cause of the exorbitant milk prices.

Dr David Harris of the Child Health Unit in Cape Town said: "In 1990 there was a R300-million surplus. Why is there a loss created?"

He asked why the state could not take responsibility for a national milkpowder scheme.

The seminar agreed research was needed to gauge the number of people affected by escalating milk prices.

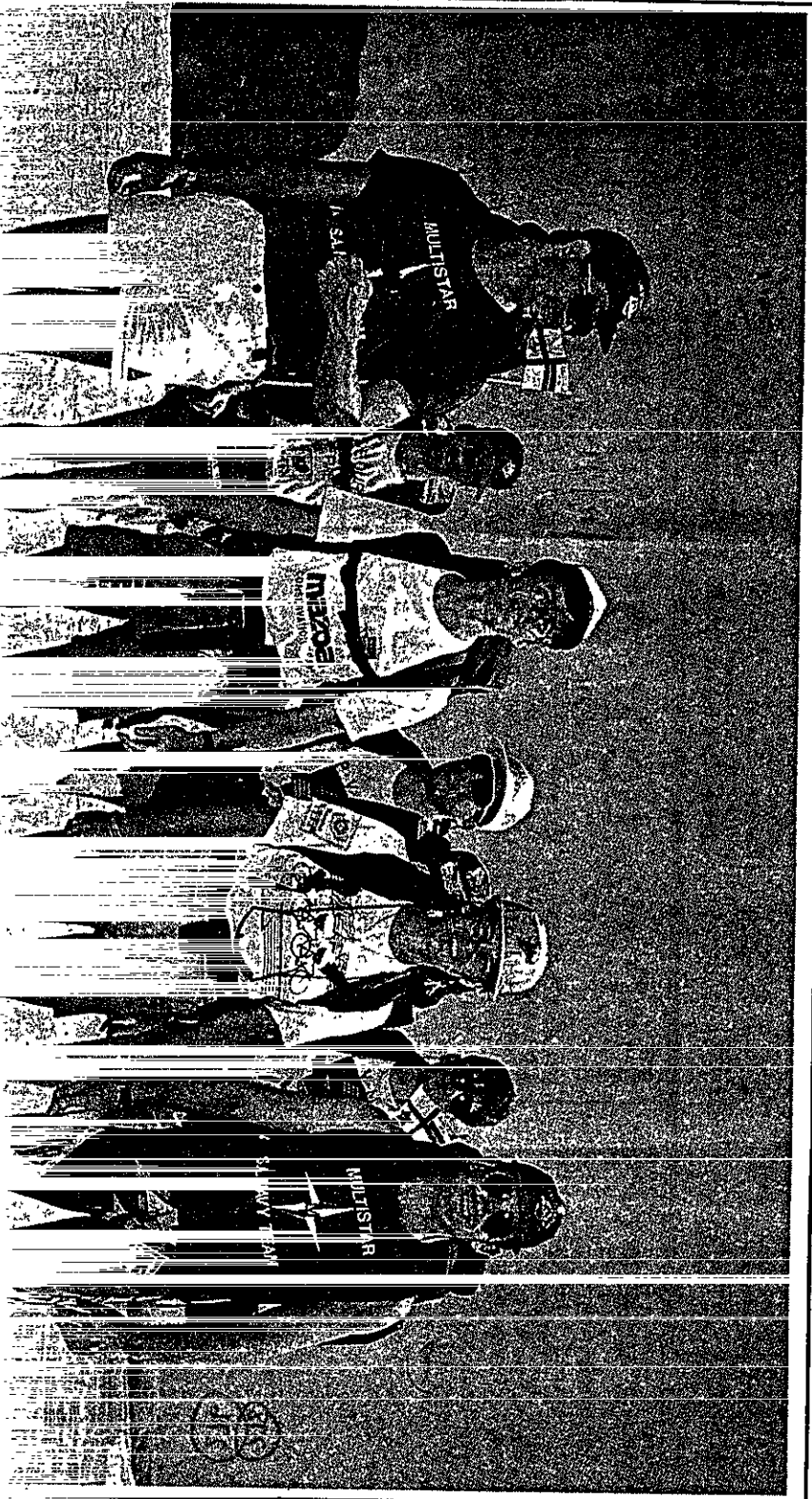
# Milk price cut

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18 OCT 1991

③-DRIEY  
CT 17/10/91

# sinlks farmers



By CHRIS BATEMAN

**LOCAL dairy farmers battling deregulation and low milk prices are selling their herds for slaughter to survive financially — and at least one major producer has put his farm and dairy herd up for sale.**

This emerged yesterday during an investigation into a row between local dairy farmers and their cash-strapped distribution company, which the farmers claim is virtually bankrupting them by dropping its milk price.

Affected farmers claimed that the distributor company, Cape Dairy Co-operative (Bonnta), was paying them less than other competitors in order to recover from a R12-million financial loss last year and 'using the farmer to balance their books'.

A prominent West Coast dairy farmer, Mr Lee Stoch, said he was being forced to put his farm on the market and slaughter his 1 000 cattle because of a 30% drop in prices paid to him by Bonnta.

Mr Stoch and fellow Bonnta suppliers claimed the co-operative was paying them between 10c and 20c a litre less than competitors Homestead and Dagrabelg, to recover from last year's loss.

Durbanville dairy farmer Mr Seymour Scher said he was tired of 'all their excuses such as a milk surplus — they are using the farmer to balance their books'.

Both said prices for beef were better than prices for milk.

Homestead and Dairybelle Dairies are paying farmers between 70c and 75c a litre compared to

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Homestead and Dairybelle Dairies are paying farmers between 70c and 75c a litre compared to Bonnita's prices of between 55c and 65c a litre.

The general manager of Bonnita, Mr Louis du Plessis, confirmed that his company had lost R12 million last year but denied that this had anything to do with bad management or his prices to farmers.

"Our prices are higher than the national average and it's unfair to compare them to others, some of whom have quota systems," he said.

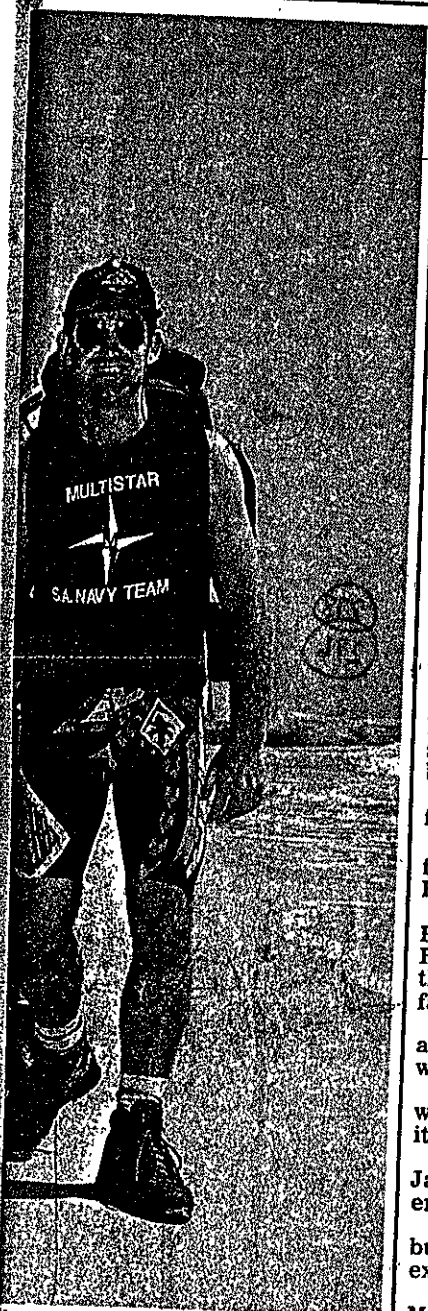
He was unable to say what the national average was or by how much his prices to farmers bettered it.

Homestead Dairies managing director Mr John Jacobs said he was "very concerned for our farmers". His company pegged prices at 75c a litre.

Mr Jacobs said the Dairy Board was causing the bulk of fresh milk producers to be penalised at the expense of non-fresh milk products.

Pick 'n Pay's regional perishable products buyer Mr Brian Daitsh blamed the crisis on "the deregulation process — in the long term it's good but a lot of people get hurt in the interim".

He quoted Dairybelle, Homestead and Bonnita retail milk (litre cartons) prices at R1,89, R1,82 and R1,85 respectively.



lam, Gregory Lehmann and the NEAT 2 800 km coastal rubber ducks gave a stunt

Picture: ANNE LAING

# Margarine bites back

JOHANNESBURG.— The butter/margarine dispute is hotting up again, this time with a new full-page advertisement which the South African Margarine Manufacturers' Association (Samma) has spread across the media.

The campaign is spearheaded by an advertisement which carries the headline "Look who's trying to butter you up" and is subtitled "Trust me, I'm a cow".

The advertisement, which appeared in two Sunday papers and is scheduled to appear in a number of dailies this week, takes full advantage of the Advertising Standards Authority's recent ruling that butter and marga-

rine can be generically compared.

The ad claims butter contains high levels of saturated animal fats, kilojoules and cholesterol, all of which contribute to coronary heart disease.

The Dairy Service Organisation originally sparked the row when it launched a campaign claiming butter had less kilojoules than margarine.

Samma chairman Mr Rick Griffiths said butter's nearly R1 million advertising campaign ad made selective use of disproved information, and had misled consumers.

Butter and margarine dead-heated in the official kilojoule count conducted recently by the CSIR. — Sapa

③ DAIRY + MILK

# Distributors strike blow in dairy case

*8/Day 4/10/91.*  
MILK distributors sued by the Dairy Board in early 1988 for failing to pay milk levies won a psychological victory over the board last week when the Appellate Division in Bloemfontein declared two levies imposed in 1987 to be null and void.

Respondents in the Pretoria Supreme Court hearing were the Minister of Agriculture, the Dairy Board and the National Marketing Council.

The board was ordered to pay all the costs of appeal court hearings to date.

The levy system, which was introduced with the 1937 National Marketing Act, is used to finance administration and marketing costs.

Levies are also used to finance the board's stabilisation fund which pays for removal and export of market surpluses.

To assist farmers, who were dissatisfied with increasing levies, the board transferred the milk levy from the producers to distributors at the end of 1986, National Milk Distributors chairman Frik Grobler said.

Grobler said distributors were told by the Dairy Board they would have to recover the levy from consumers and the 3,93c/l special levy was announced in the Government Gazette of February 13 1987.

It was repromulgated in the April 10 Government Gazette.

The board announced at the same time,

*3 milk to Dairy*  
PAUL ASH

however, that the 0,59c/l general levy would be passed on to the distributors.

In all, 27 distributors failed to pay the new levies and were sued by the board. No appeal was allowed and the distributors petitioned the Appellate Division.

The court last week found the initial special levy and the normal levy announced in the April 10 Gazette to be illegal for the periods during which they were in force.

"This is an important psychological victory for our side," Grobler said.

In the April 29 1988 Gazette, a new notice was published which corrected the earlier promulgations, he said.

The levy now stands at 6,5c/l.

A spokesman for the Dairy Services Organisation (DSO), which is the board's appointed agent, said yesterday the DSO could not comment on the judgment.

The DSO said in a statement that the board was consulting lawyers to consider the implications of the judgment.

In a second court case, Cape-based Homestead Dairy has taken the authorities to court to contest special milk levies.

Homestead is alleging that the levy being imposed upon 580 buyers and distributors is being used by the Dairy Board in order to subsidise opposition co-ops and manufacturers.

## Many workers are illiterate — Sonn

GERALD REILLY

PRETORIA — At least 45% of SA's 11-million labour force was unable to read or write at a time when the country desperately needed educated workers, Peninsula Technikon rector Franklin Sonn said yesterday. *8/Day 4/10/91*

Speaking at a Manpower Development for a New SA conference, Sonn said 30% of workers had received no education, 36% had primary school education and only 31% had received secondary education.

Only 3% had degrees or diplomas and between 45% and 50% could not read or write.

Stressing the need for vocational education, Sonn said there were 287 000 students at SA's 21 universities and only 60 000 at the 11 technikons.

The reverse should be the case, he said.

Vocational education had to become a dominant factor for the country's future.

However he stressed "we must not turn out technical experts that are social and political morons".

Technical colleges, he said, were either hamstrung bureaucratically or ignored altogether they had an important role to play in the field of vocational education.

"They should be urgently released from the stranglehold the various own affairs departments are currently exercising."

# Violence caused drop in daily milk figures

6/0ay 3/10/91

(3) Milk Dairy

PAUL ASH

VIOLENCE in parts of the Free State and PWV area reduced total milk consumption by more than 200 000 litres between February and May last year, the Dairy Board said in its annual report for the year to end February 1991.

Daily consumption fell from 2,6-million litres before recovering sharply to nearly 2,7-million litres by the end of November, the report shows.

Renewed unrest in December in the Vaal Triangle and on mines in the Free State gold fields, however, cut daily consumption again by 200 000 litres.

Reduced deliveries during the turmoil were the main cause of the drop, a spokes-

man for the Dairy Services Organisation (DSO), the board's marketing and communications arm, said yesterday.

Total milk production during 1990/91 increased by 6,8% to 5,5-million litres daily compared with 5,1-million litres previously, but daily consumption remained static at 5,2-million litres.

The figures include the milk equivalent of sales for industrial products like cheese, condensed milk and milk powder.

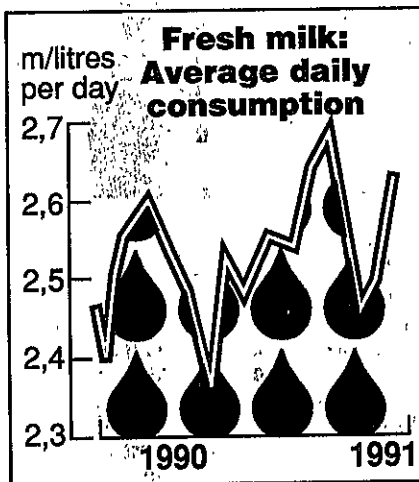
Total supplies of milk exceeded demand by 5,6%. The surplus was converted into skimmed milk powder and butter, and was exported at a loss, the report said.

Earlier this year, the DSO projected a total export deficit of R108m.

The DSO's income is derived from levies on milk purchasers, producer-distributors and farm cheese makers. Exports of surpluses are financed through the board's stabilisation fund which is maintained by levies.

By withholding their levy contributions, groups of milkbuyers put increasing pressure on the stabilisation of the industry, the report said. The levy system has been under attack from a number of producers who feel the system is unfair. Cape-based Homestead Dairy is involved in legal proceedings to contest special milk levies.

It was expected that total milk production during 1991/92 would be 2,7% higher but consumption would be 0,5% lower. Consumption of fresh milk was expected to increase by about 0,9%.



Graphic: LEE EMERTON Source: DAIRY BOARD

## Thokoza probe to start today

JONATHON REES

A COMMITTEE investigating the causes of violence in Thokoza township on the East Rand gets down to business in Pretoria today. 19/11/91

Officials involved in the investigation said the committee would begin by viewing videos to get an overview of the violence before calling witnesses to give evidence on specific incidents.

Lawyers for Human Rights (LHR) had agreed to provide bridging finance to Inkatha, some civic organisations and individuals needing legal representation. LHR director Brian Currin said.

Inkatha spokesman Suzanne Vos said if Inkatha could not raise money for legal counsel it might be forced to withdraw from the hearings.

The committee was appointed by Mr Justice Richard Goldstone's Commission of Inquiry into Violence and Intimidation established in terms of the national peace accord.

Hearings would be open to the public, officials said, adding that the Thokoza committee would sit for as long as was necessary to determine reasons for the violence since September 14.

The committee is chaired by Adv S Sithole and includes Lilian Baqwa and former Perm SA MD Bob Tucker.

## Ex-Minister testifies in dairy industry court clash

LINDA ENSOR

CAPE TOWN — Greater representation on the Dairy Board should be given to smaller distributors, former Agriculture Minister Greyling Wentzel said in the Cape Town Supreme Court yesterday. 19/11/91

He was giving evidence in the civil case brought by Homestead Independent Dairy against the Minister of Agriculture, the Dairy Board and the National Marketing Council to have the system of milk levies scrapped. 3 Dairy + milk

Homestead claims the levies are unfair because they are used to subsidise big producers of milk powder and butter.

It says being forced to pay the levy is contributing towards its financial downfall. It has to pay the Dairy Board 6c on every litre of milk it buys but is not part of the board's subsidy or surplus removal scheme because it does not produce milk powder or ...

Wentzel said small milk distributors had to be regarded as an essential part of the dairy industry as they were able to penetrate areas inaccessible to the larger distributors.

He said he believed proper consideration had been given to all objections to the new system before he approved it in June 1988, after a 16 to 17 month delay.

"The Dairy Board assured me that it had met all the objections of people who had made representations. I accepted the Dairy Board's word that they had solved

all the problems."

Wentzel said the National Marketing Council had regarded as valid the objection made by some distributors to paying the stabilisation levy even though they did not own any processing facilities and could not participate in the Dairy Board's surplus removal scheme.

He said he had warned the Dairy Board the impression would be created that levies were subsidising butter and milk powder factories.

At the time strong objections to the system were raised by the Northern Milk Distributors Association (NMDA) which represented many of Transvaal's smaller distributors.

Allegations were made that the Dairy Board did not always act fairly towards small distributors. Wentzel regarded these allegations in a serious light and was prepared to consider an independent investigation into them.

Regarding allegations that levies undermined the financial viability of Homestead, Wentzel said if a dairy reserved levies until the time of payment it would survive. However, if it used the 6c to achieve market penetration, it could experience financial problems when the time came for it to pay accumulated levies to the Dairy Board.

## SAP three to give evidence in Harare

MICHAEL HARTNACK

HARARE — Zimbabwean prosecutors flew three SAP officers to Harare yesterday to testify against a senior PAC official charged with complicity in a massive drug smuggling conspiracy.

It is the first time since Zimbabwe's independence in 1980 that SA policemen have come to Zimbabwe to give evidence.

Brig Heinrich Strauss, commanding officer of the forensic science laboratory in Pretoria, and Col Piet Gouws, head of the laboratory's ballistics section, are expected to enter the witness box today.

Lt Werner Pretorius of the Johannesburg narcotics bureau began his evidence late yesterday on the first day of the trial of Ramudi Michael Maphai, 31, deputy head of the PAC's Harare bureau, and Indian national Chandrakant Ajmera, 45.

The two men have pleaded not guilty to attempting to smuggle 948kg of mandrax through Zimbabwe. Prosecuting counsel Ian Houston said the drugs, destined for SA, had a street value of more than R40m.

# Dairy asks court to scrap levies

③ DAIRY et 19/11/91

Staff Reporter

LAUGHTER rippled through a Supreme Court gallery yesterday when the former Minister of Agriculture, Mr Greyling Wentzel, gave an intricate explanation of how boards within the Dairy Board operate to control the industry.

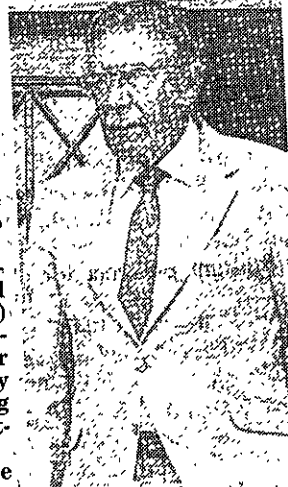
Independent Food Processors (or Homestead Independent Dairies) have brought an application against the Minister of Agriculture, the Dairy Board and the marketing council of the Department of Agriculture.

The dairy wants the court to abolish Dairy Board levies and subsidies as it a "grossly unreasonable".

Mr Wentzel gave evidence in defence of the Ministry of Agriculture, and said that the scrapping of marketing controls would lead to increases for the consumer.

The hearing continues today.

Mr Justice A M van Niekerk presides. Mr W G Thring and Mr J Dickerson, instructed by Bomman and Hayward, appear for the applicants. Mr F Terblanche and Mr J Vorster, instructed by Van der Spuy and Associates, appear for the defendants.



DAIRY WITNESS...  
Mr Greyling Wentzel.



# Wentzel testifies on dairy policy disputes

B/day 20/11/91

(3) Dairy + milk

CAPE TOWN — Former Agriculture Minister Greyling Wentzel admitted in the Cape Town Supreme Court yesterday that he had had repeated disagreements with the Dairy Board over policy during his seven years in office in the 1980s.

Wentzel was giving evidence in the civil action brought by Homestead Independent Dairy against the Agriculture Minister, the National Marketing Council and the Dairy Board to have the milk levy system declared null and void because it is unfair to small independent milk distributors.

He agreed he had tried repeatedly to persuade the board to lower the level of subsidies and levies but the board had been reluctant. It saw its role as being to remove milk surpluses and maintain industry stability through subsidies to butter and powdered milk manufacturers.

Wentzel said in 1988 and 1989 he had had to take the "drastic step" of refusing to approve Dairy Board applications for increases in subsidies on butter and butter fat on the grounds they were unjustified.

In March 1988 the board was informed that in the light of the prevailing supply situation of milk and expected shortage of butter, there was no justification to grant

LINDA ENSOR

R26,8m for butter and butter fat subsidies.

Wentzel said in court the Agriculture Department felt butter should not be subsidised too much as this would benefit certain sections of the industry at the expense of others.

Allegations were made in court that about three quarters of Dairy Board representatives had links with dairy manufacturers and co-operatives.

Homestead's legal representative Advocate W Thring suggested the reason the Dairy Board was reluctant to lower subsidies was because it was not in the interests of those sitting on the board.

Wentzel agreed it was possible this was the reason for the tardiness and admitted there was always the danger manufacturers' interests would hold sway on the board.

Another source of conflict between the department and the board was the use of the stabilisation fund. Thring put it to Wentzel that the board wanted to use the fund for subsidies but Wentzel wanted it used for advertising of milk products which would have benefited the whole industry. Wentzel agreed this was his long-term view.

## Bank 'breached confidentiality'

B/day 20/11/91

THE dispute between sports sponsorship company Tytherley Investments and the SABC and Absa has taken a new turn, with Tytherley director Peter Mancer claiming that Volkskas handed over confidential documents on his financial affairs to Allied Bank without authority.

Mancer and Allied have been in dispute over sponsorships Tytherley handled for the bank before Allied merged with Volkskas and United to form Absa.

Allied's MD Bob Aldworth and Koos Wepener, Absa's senior legal consultant, would not discuss the alleged disclosures with Business Day.

Mancer said that before Absa's new operating divisions were created, Volkskas released confidential information on his financial affairs — including bank accounts, foreign exchange and other private information — to Allied.

Mancer and his attorneys said they dis-

covered the disclosure when Allied inadvertently annexed private documents to a legal reply to Mancer. The reply concerned Mancer's application for R1,5m owed to him by Allied Bank for his part in Allied's promotion of the BOC round-the-world yacht race. Mancer said the attached confidential documents constituted a breach of confidentiality.

Dan Rosengarten of law firm Bell, Dewar & Hall said yesterday that, in drafting its affidavit, Allied Bank had included various documents obtained from Volkskas, which included bank statements, applications for Reserve Bank approval and other documents which dealt specifically with Mancer or his company's private dealings with Volkskas, and this constituted a breach of the banker-customer relationship.

MARCIA KLEIN

# Levies: Ex-Minister denies 'clashes' <sup>③ DAIRY</sup>

## Supreme Court Reporter

THE Dairy Board "clashed" with the then Minister of Agriculture for seven years over subsidies, it has been claimed in the Supreme Court.

Former Minister of Agriculture Mr Greyling Wentzel said yesterday he preferred to call these "differences".

He was testifying in the action Homestead Independent Dairy has brought against the Dairy Board, the Minister of Agriculture and the National Marketing Council.

Homestead is asking the

court to declare null and void what it claims is an unfair system of levies, introduced in 1987 when Mr Wentzel was in office, which has the effect of subsidising its opposition.

Mr W G Thring, SC, for Homestead, asked Mr Wentzel whether, during his seven years as minister, he and the Dairy Board had clashed repeatedly over the issue of subsidies. Mr Wentzel said he preferred to call these "differences".

Mr Thring put it to Mr Wentzel that if his department had not taken steps — including

once refusing to approve the Dairy Board's budget — its opposition to the phasing-out of subsidies would have persisted.

Mr Wentzel said the subsidies issue was debated with the Dairy Board.

Mr Thring suggested the Dairy Council wanted to use the stabilisation fund for coping with surpluses, while Mr Wentzel wanted it used for advertising fresh milk.

Mr Wentzel said advertising would have been of greater benefit to the industry and although many members of the

Dairy Board were concerned with the surpluses, some agreed with him.

In 1987 some independent dairies complained that levies were being used to finance their opposition, the court heard.

The independents regarded the levies as too high and he agreed that the system created this impression, he said.

Homestead claims the levies are "grossly unreasonable and inequitable" and that the minister "failed to apply his mind" when promulgating regulations enforcing them.

# Ex-minister concedes 'mistakes crept in'

③ DAIRY ART 24/11/91

## Supreme Court Reporter

FORMER Minister of Agriculture Mr Greyling Wentzel has conceded in the Supreme Court that a Government Gazette notice announcing amendments to a system of levies on dairy products was published before he signed it.

Mr Wentzel was testifying yesterday in the action by Homestead Independent Dairy against the Dairy Board, the Minister of Agriculture and the National Marketing Council.

Homestead has asked the court to declare null and void what it claims is an unfair system of levies, introduced in

1987 when Mr Wentzel was in office, which has the effect of subsidising its opposition.

Homestead claims the levies are "grossly unreasonable and inequitable" and that the minister "failed to apply his mind" when promulgating regulations and enforcing them.

On February 13 1987 a notice appeared in the Government Gazette announcing an amendment to the levies on fresh milk. In terms of the new regulation, levies were to be paid by processors and not producers.

The regulation came into effect on February 16.

Mr W G Thring SC, for Homestead, said it appeared that Mr Wentzel could have signed the notice of the amendment only on February 20 at the earliest.

Mr Thring said there was an "overwhelming likelihood" that Mr Wentzel did not sign the notice before it appeared in the Government Gazette.

Mr Justice A M Van Niekerk said it looked as though someone had "published a little prematurely".

Asked by the judge if he had ever approved a notice for publication in the Government Gazette, Mr Wentzel said he could

not recall, but he usually signed them.

Mr Wentzel said he must have signed the notice about March 3. He allowed himself to be guided by the legal section of his department, which would not allow him to do anything illegal.

If he had noticed when he signed the notice in March that it had been published and had come into effect in February, he would have taken the matter up with the department.

He had not taken any shortcuts to skirt the law, Mr Wentzel told the court.

"I'm not denying mistakes crept in. I admit that," he said.

③ 4/12 Dairy

## Farmers differ on milk plan

Milk farmers are split on the issue of the Dairy Board's proposed milk stabilisation scheme.

Those rejecting the scheme say it is as complicated as the old one and serves to subsidise butter and milk powder manufacturers of butter as the board channels surplus milk into these products for stockpiling.

The Western and Eastern Cape Milk Pro-

ducers' Organisations and the Milk Producers' Organisation of Natal rejected the scheme, and recommended that stabilisation should be in the hands of milk purchasers. The Northern Milk Producers' Organisation accepted the scheme but suggested amendments, and the Free State Milk Producers' and the Northern Cape Milk Producers' organisations supported the scheme.

6/12/91 5/12/41  
Milk levies  
(3) MILK + DAIRY  
'outrageous'

LINDA ENSOR

CAPE TOWN — The Dairy Board's imposition of levies had had "outrageous" effects on the non-manufacturing milk purchasers and distributors, advocate Wilfred Thring SC argued in the Cape Town Supreme Court yesterday.

He said the effects went contrary to the intentions of the legislature.

The lengthy court action has been brought by Homestead Independent Dairy against the Agriculture Minister, Dairy Board, and the National Marketing Council, to have the levies declared null and void on the grounds of unfairness.

Thring argued that the interpretation of the legislature's intention was fundamental to the case and that if any action conflicted with this intention then it was ultra vires and void.

He said it was not the intention of the legislature to allow for the imposition of levies when this would have the effect of undermining the economic viability of a certain section of the industry and, in this way, unequally discriminate against that section.

Curators ar

CAPE TOWN — Masterbond provisional curators were dis with two interested parties the the Club Mykonos resort as concern, it was disclosed in the Town Supreme Court yesterd

However, potential purcha the west coast resort had bee ing in the wings to clinch a go and no definite offers had b ceived, court papers disclos

An application was succ brought for a postponement February 12 1992 — of the retu of the provisional liquidation



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DAIRY & MILK PRODUCTS

1992

In this Nick Dennis, in his second year at the helm, has been the action man. The annual report lists a number of closures, including DairyBelle in Port Elizabeth and Natal, a cheese factory in Klerksdorp and wholesale meat operations in Springs and Martizburg.

The main benefit of the programme will be felt only in the current year, but it did contribute to the better bottom line. That was up by a quarter. More than three-quarters of earnings, however, originated from associate companies, such as 46%-held caterer Fedics, and 50%-held Chandling International and Bull Brand. Sea Harvest was the most important associate contributor, principally thanks to good hake catches.

The managed operations all had a difficult year because of surpluses in all three business areas: meat, dairy and poultry. Festive Chicken made a loss and the industrial dairying operations barely broke even.

But the business cycle is now turning in favour of both businesses, with product surpluses diminishing. Like all food businesses, ICS is trying to move into added value products to reduce the influence of commodity cycles. The recovery of the dairy business is being spearheaded by the Anytime cheese brand, that features cartoon character Bart Simpson. Festive is planning to relaunch high-quality fresh chicken products soon.

The vast majority of ICS products were exempt from GST and there has been a downturn in volumes of these products since the introduction of VAT.

Like sister company Tiger Oats, ICS is pushing for the end of the stranglehold that the boards hold on it.

Chairman Robbie Williams says the control over the movement of meat from uncontrolled to controlled areas leads to inefficiencies in the market. He welcomes the intention to privatise the Abattoir Corp, as long as it takes place after deregulation of the Meat Scheme. ICS also calls for a reassessment of the role of the Dairy Board, as certain milk producers are refusing to pay

board levies.

Working capital was watched closely; stock and debtors were both reduced and creditors increased. Cash flow was strengthened; cash retained from operations was R44,5m, compared with less than R1m the previous year and cash requirements were reduced by R35m.

**Lower tax rate**

Part of ICS's improvement was courtesy of the tax man. ICS's effective tax rate was reduced to 39,5% from 57%, because of the use of prior year's tax losses. Tax losses of R53,6m are still available.

ICS's improvements took the market by surprise. Dennis expects profitability to improve this year, thanks to rationalisation and a recovery of the economy in the second half.

ICS's p:e ratio of about 11 looks quite respectable but it masks a greater rating gap. ICS trades a little over NAV, whereas Tiger Oats trades at about four times net worth and has a market capitalisation about 10 times larger than ICS. ICS remains particularly prone to commodity cycles and is worryingly dependent on nonmanaged businesses. To the investor, ICS's associates are the main attraction. ICS is still the weakest of the major food companies but could recover strongly in an upturn.

It is nevertheless difficult to recommend with much enthusiasm. *Stephen Cranston*

ICS FM 3/1/92 (3) Dairy + Milk  
**Thawing out**

**Activities:** Processes and distributes dairy products, meat and poultry. Has investments in frozen fish, catering and meat canning.

**Control:** C G Smith Foods 69,1%. Barlow Rand has ultimate control.

**Chairman:** R A Williams; **MD:** N Dennis.

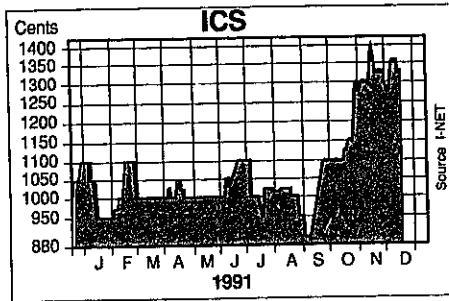
**Capital structure:** 38m ords. Market capitalisation: R504m.

**Share market:** Price: 1 325c. Yields: 2,8% on dividend; 9,0% on earnings; p:e ratio, 11,1; cover, 3,2. 12-month high, 1 400c; low, 900c.

Trading volume last quarter, 183 000 shares.

Year to Sept 30	'88	'89	'90	'91
ST debt (Rm)	18,9	42,7	50,6	30,2
LT debt (Rm)	69,8	70,2	84,8	70,2
Debt:equity ratio	0,19	0,26	0,30	0,21
Shareholders' interest	0,50	0,48	0,46	0,50
Int & leasing cover	4,4	4,3	1,7	1,8
Return on cap (%)	7,3	8,0	4,4	3,9
Turnover (Rbn)	1,65	1,88	2,07	2,11
Pre-int profit (Rm)	49,1	61,5	33,5	32,5
Pre-int margin (%)	2,7	3,0	1,3	1,3
Earnings (c)	140,9	147,4	96,2	119,7
Dividends (c)	40	48	32	37
Net worth (c)	1 012	950	1 007	1 091

After 1990's poor results, in which the operating margin fell by more than half and EPS by more than a third, the need for rationalisation was apparent.



# Dairy product

STAR 14/1/92

## demand drops

③ Dairy + milk

Own Correspondent

South Africa is producing and consuming far less butter and skimmed milk powder than a year ago, says the Dairy Board's monthly statistical publication Dairy Digits.

But Bertus de Jongh, marketing manager of the Dairy Services Organisation, which serves the Dairy Board, denied that this meant the "butter is better" advertising campaign had been a failure.

Between October 1990 and October last year, the production of butter had dropped by 20,2 percent and skimmed milk powder by 26 percent.

The consumption of butter

dropped by just more than 14 percent and consumption of skimmed milk powder by 10 percent during the 12 months. Yellow margarine production dropped by only 1,14 percent and consumption by a mere 0,56 percent.

Mr de Jongh said: "The first ("butter is better") ad appeared on September 6 last year. The period under review ended too soon afterwards to reflect the campaign. Indeed, subsequent research has shown that the ads have been successful in changing attitudes towards butter. A survey showed that 40 percent of the public now believes that butter has fewer kilojoules than margarine.



MILK INDUSTRY

③ milk + Dairy FM 7/2/92

# Bypassing the Dairy Board

**National Co-operative Dairies Ltd (NCD)**, SA's largest dairy enterprise, has announced a scheme that once again raises questions about the Dairy Board's stabilisation efforts and, indeed, for all regulatory board intervention.

Geared primarily to raising capital from members at a time when Land Bank interest rates have soared, the scheme also gives NCD greater control over its milk production and the entry to the market of new producers, thus reducing the chances of surpluses and shortages.

But the system is also attractive to farmers. It involves a Milk Quota Exchange, whereby members, whose milk quotas are coupled to paid-up shares, will be able to dispose of their quotas coupled to shares at market-related prices.

Says NCD's GM of administration, Louis Joubert: "The scheme will enable us to control the volume of milk production, related to our market share, more successfully than in the past. It is extremely difficult to stabilise production on a national basis and we believe we can advise our farmers more effectively in respect of market needs."

In practice, NCD will allocate milk quotas according to its members' production history and initially to the non-members on the same basis, providing that they supply milk in bulk and become members. NCD will then offer a

new buyer must make the same investment in shares as that held by the seller and, if applicable, accept the same option conditions held by the seller.

Joubert stresses that the system is completely voluntary, though he points out that members not joining the scheme won't have any guarantees for the price they get for surplus milk.

NCD's proposals come at a time when the Dairy Board is trying desperately to win approval for a new national stabilisation scheme, which would also introduce a milk quota system (*Business & Technology* September 27). But opponents continue to object to the compulsory levy the scheme carries over from the present stabilisation scheme, a practice that is being challenged in the Supreme Court.

The board is expected to make a final decision by the end of next month. But, regardless of whether the board introduces a new stabilisation scheme, NCD will push ahead and allocate quotas according to its expected share of the market.

Only nine large entities control about 90% of SA's dairy industry and the other eight are bound to follow NCD and introduce similar schemes. NCD's policy statement stresses that a free-market approach is being widely advocated in the dairy industry and that control has degenerated to a large degree.

But Joubert says this does not mean the board will become redundant.

"There will always be a need for the board, in some way or another, though the industry is moving towards a situation where producers take on greater responsibility for production. We are trying to cause as little inconvenience and cost — from surpluses and shortages — as possible, to the farmer, the producer and the consumer." He believes the

new system will enable NCD to advise farmers of market needs and hopes that their move towards self-stabilisation will rub off on the rest of the industry.

The board also doesn't see NCD's scheme as a threat. Says a board spokesman: "The board was started mainly for the primary industry (farmers) and a lot of farmer distributors need a stabilisation fund."

Critics of the board have always argued that the industry should be completely deregulated. Controls, they argue, inevitably

lead to abuse and increased prices for the consumer.

Left to market forces, production would be regulated by the law of supply and demand and though the free market is more uncertain, it's also more flexible.

## Coming trend

Tiny Liebenberg of the National Dairy Committee of SA, representing some 9 000 milk producers, believes that self-stabilisation schemes will come to dominate the industry. "Farmers will favour a guaranteed offset for their milk production," though he warns that producers will lose much of their independent entrepreneurial freedom.

Liebenberg believes that deregulated self-stabilisation will see consumers benefit as producers compete for market share. "The total market has stagnated over the past three years at about 1 900m litres. Producers won't raise prices too high as they try to expand the market."

Mirryena Deeb



Dairy cows ... they don't need government boards either

guaranteed price for 70% of this allocation. The other 30% is not guaranteed and will be revised every six months. A member can obtain rights to a guaranteed milk quota only by taking up paid-up shares in NCD, or exercising an option to take up shares, by February 28.

Members can pay for the shares by using a portion of the price they receive for their milk. They can sell their guaranteed quotas and shares as long as NCD's share capital position is not negatively affected. In other

## Consumer 'paying for milk exports'

CF 2/2/91 Political Correspondent (3) MILK + DAIRY

SOUTH Africans subsidised consumers of skimmed milk and butter in foreign countries to the tune of R62,8m between March 1990 and February 1991, Port Elizabeth Central MP Eddie Trent, said yesterday.

Speaking during the debate on the Part Appropriation Trent said the Dairy Board had locked up millions of rands in levy funds specifically used to subsidise the export of powdered milk.

He said that this practice continued at a time when organisations such as Operation Hunger had turned away from milk products as a cost effective option in the fight against malnutrition.

Trent said facts obtained from the Dairy Services Organisation, and from producers showed that to ensure that all surplus industrial milk produced was absorbed by the manufacturing sector a "surplus removal scheme" was administered by the Dairy Board

# Drought cash for milk

*St. James (BAS) 23/2/92*  
DROUGHT premiums of about R6-million will be paid to milk farmers by National Co-Operative Dairies (NCD). NCD says many farmers will have to buy animal feed this year. *3 Milk*

STAR 28/2/92

## Dairy Board cuts levy to ensure milk during drought

Consumer Reporter

In a move seen as an attempt to increase the farmer's price for dairy produce and thus ensure a continued supply of milk during the drought, the Dairy Board has reduced its levy on dairy products by 4.4c a litre as from Sunday.

The step will not im-

mediately be reflected in consumer prices, says the Consumer Union, as the board has appealed to buyers to pass the reduction on to farmers.

③ Dairy+milk

The dairy levies, which go to the stabilisation fund, have been at the centre of dissatisfaction by distributors who refuse to pay them.

# Milk and soft drinks will cost you more this week

STAR 4/3/92

③ milk + soft

Consumer Reporter

Milk and soft drinks prices are set to rise this week following an increase in the wholesale cost to retailers on Monday.

A spokesman for Amalgamated Beverage Industries yesterday confirmed that the wholesale price of ABI's carbonated soft drinks, including Coca-Cola, had increased by an average of 14,7 percent.

The recommended retail price for 340 ml cans had increased from R1,12 to R1,24, 2 litre soft drinks had risen from R4,68 to R5,41 and the cost of a 1 litre bottle

(excluding deposit) had increased from R1,80 to R2,09.

"Our delivered prices rose with immediate effect on Monday. However, we have no price control at retail level although we do recommend prices to dealers.

"Clearly, there are dealers who mark up considerably more than that, and this is always a concern for us. We hope dealers will stay within the recommended price bands as far as possible," said the spokesman.

Milk price increases are also set to filter through after a recent increase in the price paid to farmers.

National Co-operative

Dairies announced an 8,02c increase in the producer price per litre of milk from March 1.

An average increase of about 7 percent — about 14c/litre depending on the packaging and retail outlet — has been passed on to retailers.

ABI said the soft drinks increase was the first in 12 months despite numerous cost increases in raw materials and distribution costs.

A slowdown in retail spending had resulted in the company being able to absorb only a smaller proportion of the cost increases compared with previous years.

● Eating away at savings — Page 15

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● Eating away at savings — Page 15



**FOCUS: Milk delivery men are a dying breed**

# Don't cry over spilt milk

w/ Mail 24/4-29/4/92

③ milk + Dairy

**E**VERY couple of months, it seems, the price of milk increases. For those consumers who can afford the luxury (it now attracts the 10 percent VAT as if it is not a basic food) and who have had their milk delivered, they will also either have found that deliveries in many areas have stopped, or they have become more erratic of late.

These consumers, particularly in the Johannesburg area, may think they are about to lose their deliveries altogether. But, for the time being, milk delivered in glass bottles by Nels Dairies will continue.

The jobs of some 250 delivery workers depend on this and, according to Nels managing director (and owner), Martin Loubser, he is doing everything he can to continue delivering milk. Nels, going against the international trend in this regard, has expanded its deliveries and begun advertising in local newspapers to make consumers aware that it provides this service.

Of course, many of his consumers who have complained of late or erratic deliveries will be unsympathetic. They will point out that if Nels cannot deliver when and where the consumer wants, they will not be able to get deliveries at all as there is no competition.

In fact, the perception of many consumers is there is little or no competition in the milk industry — a hangover from the early 1980s when there was no competition. This is true in the deliveries areas as Nels is one of the few dairies in the country offering a delivery service. One of the prices consumers pay for this (other than about 12c a litre built into the cost) is that the dairy cannot economically deliver all its milk before 7am. Those consumers who cannot pick their milk up from their doorstep because they have left for work should not get it delivered.

There are some 600 dairies in South Africa — “far too many” in Loubser’s opinion — producing upwards of two million litres daily. Milk prices vary from dairy to dairy. In some areas,

## CRITICAL CONSUMER

Pat Sidley's weekly advice on what to buy ... and what to avoid



where consumers fetch their own milk, it will cost R1,20 a litre and in others, where milk is bought in cafes, it can cost upwards of R2,50 a litre.

A delivered litre of full cream milk in Johannesburg, in glass, costs R2,30 with the VAT included. In supermarkets, it can be slightly less if it is sold on special, and it will not be in glass.

In most Western countries — except in the United Kingdom and the Netherlands — milk is no longer delivered and cannot be bought in glass.

The environmental argument surrounding glass is not as simple as it sounds; in the United States consumer groups have concluded that it may not necessarily be sounder ecologically to produce milk in returnable glass bottles. That argument holds that the washing, sterilising and then delivery of glass is not good for the environment. The other argument has it that plastic is non-biodegradable or that some milk cartons give off unhealthy chemicals. Either way, South African consumers still have some choice in the issue.

One of the costs built into each litre of milk is also a hangover from pre-1983 when milk prices, production, distribution and sales were strictly governed by legislation and the Dairy Board.

Nowadays, dairy farmers and dairies have been freed to produce and charge what they want or, technically, how the market will allow.

But in order to cover some “administration costs” for the industry, the Dairy Board still levies (enforced by the law) an amount of about 2,62c on each litre produced by a dairy. This used to be 5,5c a litre but has been reduced. Despite this, the industry is not keen on the levy and several small dairies have rebelled against the system, taking the Dairy Board to court to try and get the levy dropped.

Loubser, whose dairy is the fourth biggest in the country, believes there should be a very small levy, to cover “reasonable” administrative costs like the dissemination of general information about the dairy industry, to ensure a better flow of milk throughout the country and cope with some aspects of surpluses.

However, according to the Dairy Board (which still exists, but with few of its previous powers), it uses the levy in its stabilisation fund to subsidise exports of surpluses in order to compete with a heavily subsidised international dairy product market. Prior to the dropping of controls in 1983, the fund and its levies were used to ensure that prices did not fluctuate too much while ensuring that farmers got enough of a reward to stay in business.

Since then, the rate of increase in the price of milk has risen sharply and now matches the inflation rate, according to the Dairy Board and Loubser. The Dairy Board, however, believes that prices could have been held lower without the freeing of controls.

Loubser, and others in the industry, believe that now that the market is “free” it is up to the dairy industry itself to find markets for surpluses, ensure the industry’s profitability and deal adequately with farmers. The most recent rise (last month) in the price of milk included a larger than usual increase to dairy farmers who have had a rough time during the drought, says Loubser.

Meanwhile, have some sympathy for those in the milk delivery business. The dairies that deliver, the delivery men and glass bottles are part of a dying era.



# Govt allows importing of milk products

CAPE TOWN — Government has given approval for 4 000 tons of skim milk powder and 1 000 tons of butter to be imported at an estimated cost of R40m. <sup>3</sup> milk + dairy

Of the imports, 1 200 tons of skimmed milk powder and 465 tons of butter will be re-exported to African countries outside the Southern African Customs Union to maintain exporters' continuity.

It was not clear whether the Dairy Board would do the importing on be-

LINDA ENSOR

half of the dairies or whether they would do it themselves.

Dairy Board stabilisation services manager Edwin Conroy said yesterday government would allow manufacturers to do their own importing.

He said there was no basis for fears that local dairies would profit unfairly by importing cheap supplies. The landed price of the imports would be on a par with the local price.

2/10/72  
20/1/72  
20/1/72

# Milk dumping stirs outraged reaction

By Helen Grange <sup>③ Dump milk</sup>  
Pretoria Bureau

The dumping of millions of litres of milk by dairies due to lack of assistance from the Dairy Board in using surpluses has been slammed as a "national catastrophe" and "shocking" in the light of alarming food shortages.

Consumer bodies, joined by the South African Council for the Aged, yesterday expressed outrage at the waste, which milk distributors claim is unavoidable when the only alternative is to pay for surplus milk to be transported to dairy by-product factories — with no guarantee it will be bought.

"What can we do? We have to dump it. It makes no economic sense to undermine our own markets by giving it away or paying to have it taken away," Natie du Plessis, an executive of the National Milk Distributors Association, said yesterday.

However, the Council for the Aged countered: "This shocking behaviour comes at a time when millions of elderly South Africans are struggling to buy

the bare means to survive."

The council, in a statement, said it wanted a solution to the "unjustifiable and unreasonable waste", adding that during the most serious drought this century and the resulting rising food prices, "waste such as this is totally unacceptable".

A spokesman for the Consumer Council said the situation was catastrophic and that it would make sense for the Welfare Department to buy excess milk and distribute it to the needy.

He added, however, that it would be unreasonable to attack the Dairy Board before it had responded to the Cape Town Supreme Court judgment which found it guilty of unlawfully charging prohibitive levies to milk distributors.

Housewives League president Jean Tatham said the ongoing milk dumping was an "incredible waste".

She suggested that unpasteurised milk, which had undergone the necessary health tests for disease, could be sold at a cheaper rate by dairies.

Only some Natal dairies were involved in this method of channelling their surplus milk, she

said.

Mr du Plessis said private dairies had been forced to look after themselves in times of surpluses.

"The dairies try to balance the surpluses between themselves, but at times, there is no alternative but to literally pour it away. I myself had to dump 17 000 litres of milk last December. The Dairy Board, despite the fact that we pay levies, has refused to help us get rid of surpluses," he said.

Dairy sources said unpasteurised milk was disposed of through drainage systems, as it posed huge health risks such as tuberculosis.

Mr du Plessis pointed out that unpasteurised milk, if it was to be used, had to be subjected to strict processes to meet health regulations, and if there was no market, it was cheaper to dispose of it.

"The problem lies with the Government, which should take charge of surplus milk, perhaps by distributing it far away from the dairies so that their markets are not interfered with."

The Dairy Board is to hold a special meeting tomorrow to discuss the judgment against it.

STAR 11/6/72

# Anger as farmers dump milk

By GLYNNIS UNDERHILL  
and BRONWYN DAVIDS

DAIRY farmers yesterday told how they had dumped thousands of litres of milk to avoid paying levies to the Dairy Board.

One farmer, Mr Natie du Plessis of Witbank, who dumped 17 000 litres in December, said: "I just tell the labourer to pull the plug and walk away. I don't want to see

or think about it. It just makes you sick."

A Middelburg farmer admitted dumping at least 30 000ℓ a year over the past five years.

Yesterday an Operation Hunger spokesman said it was "criminal" to dump milk. He said had the dairies offered them the milk they would have made every effort to distribute it to the poor.

CT 11/6/92  
The Dairy Board has not yet challenged the judgment, which might mean it will have to repay hundreds of millions of rands to milk distributors, as well as the legal costs of the action brought by Homestead Independent Dairies.

A Dairy Board spokeswoman, who asked not to be named, said: "We are not aware of the fact that surplus milk is being dumped in this country."

③ MILK  
ANC spokesman Mr Carl Niehaus said: "We regard the milk dumping as an extremely insensitive act which is highly offensive to millions of people who are facing starvation."

Mrs Sheila Baillie of the Housewives' League said the Dairy Board was an "anachronism and should be dissolved".

● Last week the Supreme Court found that the Dairy Board had been imposing prohibitive levies.

CONTROL BOARDS  
③ Dairy + Milk  
**Off with their heads**

The legitimacy of every agricultural control board has been called into question by last week's Cape Supreme Court ruling that declared unlawful the Dairy Board's mandatory levies on bulk milk buyers, manufacturers and distributors. FM 12/6/92

The Meat Board could be next. Nils Dittmer, chairman of the free-market Organisation of Livestock Producers, says: "At this stage, we are thinking of bringing an action against the Meat Board. Our problem is similar but on a much larger scale."

He says his members will discuss it with the Sunnyside Group, which promotes deregulation. "If they agree, and if we can find parallels between the problems of milk and meat producers and distributors, we'll bring an action against the Meat Board and its affiliates — Abacor, the Abattoir Commission and the Big Three: Vleissentraal, Kanhym Karoo and Imperial Cold Storage."

Dittmer says his 500-plus members, who produce more than 10% of the red meat, have no quarrel with farmers who want to remain in the meat scheme and enjoy its protection. "But those of us who want to opt out and bear the risks ourselves must also be allowed to do so."

Homestead Independent Dairies MD John Jacobs, who took the case to court, says the spur was the levy scheme. The board argued that the goal was to stabilise the industry by removing surplus fresh milk from the market and turning it into cheese, butter and skimmed milk powder. But Jacobs claimed that the levies subsidised the production of those products at the expense of fresh milk producers and distributors.

He also alleged that the board is dominated by the four major manufacturers — Nestlé, Dairy Belle, National Co-operative Dairies and the Cape Dairy Co-operative, which

FM 12/6/92

trades as Vonnita Dairies. "They all run fresh milk divisions but are happy to let them run at breakeven, or even at a loss, and make their profits from manufacturing."

"With their dominance, they ensured that only the products they made were subsidised. They were also the giants of the fresh milk industry and could reduce their prices to levels where we, the independents, could not compete." ③ Dairy + Milk

The Dairy Service Organisation, which carries out the policies of the 13-member board, says it will appeal. ■

## Dairy Board may see levy income cut off

12/6/92 LINDA ENSON (3) Milk Dairy  
CAPE TOWN — The Dairy Board, which depends entirely on levies as a source of operating income for its agent the Dairy Services Organisation (DSO), could face a financial crisis at the end of the month if no levies are paid by milk distributors.

It is to hold crucial discussions today on the future of the levy system.

Cape Supreme Court Judge A M van Niekerk declared the levies null and void in a judgment last week in the case brought against the board, the National Marketing Council and the Agriculture Minister by Homestead Independent Dairy.

DSO GM Edu Roux would not speculate yesterday on how the board would finance itself, saying it depended on whether the monthly returns of levies continued.

He speculated that the court had not ruled against the payment of levies but had only declared them null and void. The DSO employs about 85 people.

In the year to end-February the board's expenditure on administration amounted to R8,5m (about R700 000 a month), on marketing R12,2m, industry services R2,2m and the stabilisation fund R72,9m, for a total of R95,8m.

Roux would not comment on the board's response to the judgment as he had not yet received a copy. A special meeting of the board would be called as soon as a copy was received. He would also not comment on whether the board would repay the hundreds of millions of rands collected in levies since February 1987, the date from which the unlawful levies were introduced.

But it is believed that the board had decided to pay back R13m in specific levies earlier declared null and void by another Supreme Court judge, which were paid by distributors for a limited period of a few months.

The board's appeal against this judgment was rejected by the Appeal Court.

Roux would not confirm this, saying that the board's decision had been referred to Agriculture Minister Kraai van Niekerk for consideration.

He said only farmers could decide on

To Page 2

## Dairy Board

12/6/92  
whether the board should be abolished. He criticised distributors who had thrown away milk and denied that the board's levy system encouraged this.

In his judgment Van Niekerk found that the board had close business connections with the co-operatives and large manufacturers who benefited from its decisions.

He said the board was partly comprised of certain individuals who could not objectively and disinterestedly take decisions about the industry as they were motivated by ulterior purposes.

The board's decisions, he said, were grossly unfair and unreasonable towards non-manufacturing milk distributors who paid substantial amounts in levies but received no financial benefits.

The judge cited the example of a cheese

3 Milk Dairy  From Page 1  
manufacturer who had been given a quota by the board to import cheese even though at the time local cheese production comfortably exceeded consumption. The manufacturer made a clear profit of R350 000.

The judge also said the board's subsidies to manufacturers to produce butter and skimmed milk powder had encouraged the overproduction of large quantities of raw milk.

Shifting the liability for levies from milk producers to distributors, who were not given a hearing, was prejudicial to their interests, the judge said.

He found most of the board's witnesses unimpressive and said some had not played open cards with the court and had attempted to withhold information on the board's activities.

# Food fight is on after dairy fury

ARG 13/6/92 (3) MILK & DAIRY

■ Bread and milk prices soared after the scrapping of price control and this could be repeated if control boards were scrapped, farmer unions are arguing.

**WILLEM STEENKAMP**  
Weekend Argus Reporter

SCRAPPING the agricultural control boards will not necessarily yield lower food prices, say producers.

Merely a day after the publication of the government-appointed Board of Tariffs and Trade's recommendation that spiralling food prices be curbed through the elimination of statutory powers for control boards like those in the maize, meat and banana sectors, farmers' representatives went on the defensive yesterday.

Mr Hans van der Merwe, senior spokesman for the South African Agricultural Union (SAAU), said certain statutory measures were necessary to ensure price stability.

Terminating the statutory powers of control boards and other bodies would enable farmers to freely market produce elsewhere with the implication that this

could lead to lower prices.

Mr Van der Merwe emphasised that control boards were created on a democratic basis and on the insistence of the majority of producers in a given sector.

"If these people want to dissolve such a board, they can do that democratically. But, the general spirit of our union is to have a minimum of statutory regulations.

"Boards are necessary to negotiate and create a balance between the producers and large (monopolistic) purchasing groups."

Mr Ivan Hemingway, manager of the Wheat Board, said it was "absolute nonsense" to lay the reason for the spiralling price increases at the door of the farmer or the control boards.

"The termination of control boards or of statutory powers will not cause prices to decline.

"The dairy industry was deregulated a year or two ago and what happened? Milk prices increased by an incredible 45 percent. Price control on bread was abolished and the price increased by 45 percent."

Mr Peter Cowney, manager of the Maize Board, said although he had not had time to study the report, he had grave doubts about the way the preliminary report was bandied about before the Ministers responsible, who ordered

the investigation, had had time to study its recommendations.

The Maize Board received the report only late yesterday and found it surprising that no representatives of organised agriculture had been co-opted in the probe.

Mr Frans Pieterse of the Meat Board said his board had not had time to study the report.

Mr Derrick Keys, new Minister of Trade, Industry and Economic Co-ordination, was unable to comment as he also had not had a chance to assess the report, said a spokesman.

Democratic Party spokesman on agriculture Mr Errol Moorcroft said the party had long believed control boards should be converted to marketing boards without any statutory monopoly policies.

● The Dairy Board has decided to ask for a meeting with the Minister of Agriculture, Mr Kraai van Niekerk, before making any decision about an appeal against the ruling by Mr Justice A M Van Niekerk in Cape Town that the board's levy system is illegal.

The Dairy Board met in Pretoria yesterday to discuss its options after Mr Justice van Niekerk found it had an obvious bias towards large-scale businesses and that its levy system was null and void.

SUNDAY TIMES, JUNE 14, 1992

# milk levies

# How board creamed

ST Times 14/6/92. By EVELYN HOLTZHAUSEN (3) DavyHank

**THE Dairy Board used more than R4-million in levies paid by distributors for salaries and perks, staff loans and a children's television programme.**

The organisation, which independent milk distributors claim squandered hundreds of millions of rand to maintain a "self-serving, top-heavy bureaucracy", spent R3,5-million on salaries in the 1988/89 financial year, according to the last published auditor-general's report.

In addition, R300 048 was used to finance car loans for employees and R132 727 was set aside to pay them out for accumulated leave. Other expenditure included R112 440 for printing and stationery, R13 000 for sample bottles, R68 000 for overseas trips and R390 000 for *Mina Moo*, a children's television programme shown by the SABC.

Last year, administration costs totalled R8,5-million, while R12,2-million was spent on marketing, according to a statement issued this week by the board's general manager, Mr Edu Roux.

Industry services cost R2,2-million and the Dairy Board's stabilisation fund accounted for R72,9-million.

## Boycott

Milk distributors were to have paid between R85-million and R90,5-million in levies last year. But as a result of a boycott by distributors, the figure was R60-million, said the board's chief accountant, Mr HJ Pretorius.

He said this week he had "no idea" where the Dairy Board would get money to repay levies if it had to do so.

Since February 1987, distributors have been required to pay levies of between 6c and 2,6c to the Dairy Board for every litre of milk bought from farmers.

The levy was used to pay administration costs and to boost a "stabilisation fund" from which manufacturers of milk powder, butter and cheese derived the greatest benefit.

## Saved

A Natal distributor said: "If the levy system is scrapped and market forces are allowed to dictate prices, the industry could save up to R50-million a year.

"This could lead to a drop in the price of milk."

Mr Russell Stevens, chairman of Natal-based Creamline Dairies, said that by refusing to pay the levy he had saved his company at least R3,5-million a year.

"They would have squandered the money anyway. The car park at the Dairy Board's Pretoria headquarters is carpeted with Mercedes-Benzes.



**SOUR . . . distributor John Jacobs, who challenged the levies and won** Picture: TIM ZIELENBACH

# Millions wasted on cushy jobs for bureaucrats, say irate distributors

Scrapping of the levies would lead to a lowering of prices to consumers," he said.

"The Dairy Board is an extremely costly paper tiger which we can ill afford," said Mr Stevens.

Mr John Jacobs, managing director of Cape-based Homestead Dairies, said the board was at least partly to blame for more than 20 000 dairy farmers going out of business since 1983.

It was Mr Jacobs who went to court to challenge the board's right to charge the levies.

Mr Justice AM van Niekerk declared the legislation on the levies null and void.

Further court action challenging the levies is still pending.

Dairy Board chairman Lucas van Vuuren said on Friday that a decision to appeal against the finding would be discussed this week with the Minister of

Agriculture and the National Marketing Board.

Senior Dairy Board executives held a series of emergency meetings on Friday to discuss the implications of the judgment, but refused to comment until they had seen a copy.

Milk distributors said reports that millions of litres of milk had been dumped in the past few years were "totally inaccurate".

Dairybelle chairman Mr Doug Howie said: "We certainly have not dumped milk and I am unaware of any company which has."

Mr Jacobs said the misunderstanding arose out of the fact that the Dairy Board paid manufacturers to store millions of litres of milk when there was overproduction.

"The board then sells the products derived from the milk at a loss overseas.

"In other words they dump millions of kilograms of butter, milk powder and cheese overseas."

LINDA ENSOR

## Liability over milk levies totals R440m

CAPE TOWN — The Dairy Board's potential liability to milk distributors for levies declared null and void by the Cape Town Supreme Court was about R440m, Dairy Services Organisation GM Edu Roux disclosed at the weekend. <sup>③ Milk + Dairy 15/6/92</sup>

He said R440m had been collected in levies since February 1987. The court declared the levies unlawful from this date.

About half this amount had been collected from non-manufacturing fresh milk distributors who were found by Judge A M van Niekerk to have been grossly prejudiced by the levy system.

About 50% had been paid by manufacturing distributors who were found to have profited most from the system.

Roux said paying back the levies was not

under consideration at the moment, as nobody had lodged any claims.

It was considered unlikely that manufacturing distributors would lodge claims. The judge found their activities had been heavily subsidised by the non-manufacturing distributors, so the board's liability was likely to be about R220m.

The Dairy Board held a special meeting on Friday to consider the judgment and is believed to have decided to take the matter on appeal, subject to the approval of co-defendants Agriculture Minister Kraai van Niekerk and the National Marketing Council.

□ To Page 2

## Milk levies

<sup>③ Milk + Dairy 15/6/92</sup>  
cil. Roux would not confirm the decision to appeal. The case lasted about 50 days with legal costs estimated at over R750 000.

In a statement, board chairman Lucas van Vuuren said an appeal would be discussed this week, after which a final decision would be taken. Board representatives are due to meet Van Niekerk tomorrow.

Van Vuuren said media reports that millions of litres of surplus milk had been dumped were exaggerated. He defended the board's surplus removal scheme, saying it was aimed at preventing the dumping of milk. He denied that the scheme stimulated overproduction of butter and skimmed milk powder.

<sup>③ Milk + Dairy</sup> □ From Page 1

He also denied allegations that the price of dairy products had increased by 28% during the past year, saying the board's monthly surveys showed a 16,5% increase.

Great variation, however, existed in the prices of milk and dairy products at the different retail outlets. In March the board's survey found milk prices between 95c and 250c/l.

Van Vuuren said the Dairy Board welcomed the Board on Tariffs and Trade preliminary report on food price inflation.

He said the Dairy Board favoured an investigation into escalating food prices despite the fact the report partly blamed the agricultural boards for these increases.



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**Producers defend board**

5 Milk Dairy  
**GERALD REILLY**

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PRETORIA — Milk producers in the northern Transvaal have come to the defence of the Dairy Board in the row over levies paid by distributors.

Northern Milk Producers' Association chairman Willie Fourie said losses through milk dumping could have been far greater without the intervention of the Dairy Board.

In a weekend statement, he said it was untrue that millions of litres of milk had been thrown away. Milk had been dumped in isolated cases because of its perishability.

Milk had been dumped even before the Dairy Board was set up.

Deregulation in the industry also did not help to alleviate the problem. It was the orderly dispensation created by the board that had minimised losses.

Fourie said the industry was being damaged by the current dispute. Non-payment of levies could mean an interruption in the industry's services.

# Dairy body asks Kraai for backing

Own Correspondent

17/06/92

THE Dairy Board yesterday asked Agriculture Minister Dr Kraai van Niekerk to approve an appeal against the Cape Supreme Court judgment that declared its levies null and void.

Dr Van Niekerk said after a lengthy meeting with the Dairy Board that he had reserved a decision on its request pending a study of the full judgment. Also, legal opinion would be obtained.

DAIRY

Dairy farmers were assured by Dr Van Niekerk that no decision would be taken to impose levies on them without their majority consent. His assurance to dairy farmers could be interpreted as indicating that a shift of the liability for levies from milk distributors back to milk producers might be under consideration.

Dr Van Niekerk said the implications of the judgment for the dairy industry were being evaluated.

His response to the Board of Tariffs and Trade preliminary report is expected today.

# 'Milk dumped only in isolated cases'

③ milk + dairy

Star 20/6/97

MILK was dumped in isolated cases only, Northern Milk Producers Association chairman Willie Fourie said yesterday. He denied that millions of litres of milk had been thrown away but did not say how much had been dumped.

Perishability was the problem, said Fourie. And this was not a new problem, as milk had been dumped even before the establishment of the Dairy Board and its predecessors. Indeed, without the board's intervention, these losses could have been far greater. "It is

precisely the orderly dispensation that has been created by the Dairy Board which has helped to confine these losses.

Fourie added that the verdict of a recent Cape court case could cause much damage to the industry. The Cape Supreme Court ruled that the board had no right to levy charges on dairy farmers.

"The non-payment of levies causes great concern with the producers, and an interruption of industry services can imperil organised agriculture." — Sapa.

# Cases of dumped milk <sup>(3) milk</sup> <sup>CR 20/6/92</sup> 'isolated'

PRETORIA. — Milk was dumped in isolated cases only, Northern Milk Producers' Association chairman Mr Willie Fourie said yesterday.

He denied that millions of litres of milk had been thrown away — but did not say how much he believed had been dumped.

Mr Fourie said the problem was perishability. This was not a new problem, as milk had been dumped even before the establishment of the Dairy Board and its predecessors.

Without the intervention of the Dairy Board, these losses could have been far greater.

"It is precisely the orderly dispensation, created by the Dairy Board, which has helped to confine these losses to a minimum."

Mr Fourie said the verdict of the Cape court case could cause much damage to the industry.

The Cape Supreme Court ruled that the board had no right to levy charges on dairy farmers. — Sapa

...persons in the firms which have adopted teleworking, the main obstacles remain organisational inertia and the defensive psychology of many managers.

pays" principle and, for example, penalising traffic in city centres, will force organisations to accept new working methods.

THE INDEPENDENT

## Make more of sour-milk products <sup>(3)</sup> milk + dairy

A SOUR-MILK product with a high nutritional value that can also be used as a supplement to the diet of low-income consumers should be developed, says Daan de Lange of the Irene Research Institute.

The main sour-milk products on the market at present are yoghurt, calabash milk and buttermilk, and he points out that black people are virtually the only people consuming the latter two as a meal.

The digestion and absorption of sour-milk

products, he says, are better than those of plain milk.

People allergic to milk or intolerant to lactose are also better able to assimilate fermented milk products.

Mr de Lange says research has shown that the consumption of large quantities of fermented dairy products reduces the risk of colon cancer, and he adds that these products can be used to improve human health.

OWN CORRESPONDENT

2/6/92



## Dairy Board can appeal

Agriculture Minister Kraai van Niekerk yesterday said he would sanction a request by the Dairy Board to apply for leave to appeal against a Cape Supreme Court ruling. The appeal stems from a court ruling by Mr Justice A van Niekerk that the board had no right to levy charges on dairy farmers. In a statement released in Pretoria, Dr van Niekerk said the matter had been referred to a senior advocate.

③ milk + Dairy STAR 25/6/92

## Dairy Board in appeal move

*③ milk + Dairy*  
*25/6/72*  
PRETORIA — Agriculture Minister Kraai van Niekerk said yesterday he would sanction a Dairy Board request to apply for leave to appeal against a Cape Supreme Court ruling.

The appeal stems from a ruling by Judge A van Niekerk that the board had no right to levy charges on dairy farmers.

In a statement released in Pretoria, the Minister said the matter had been referred to a senior advocate for further evaluation of the court findings.

The decision meant the matter should now be considered sub judice, the Minister said, and there would be no further statements.

The board may have to repay hundreds of millions of rands to dairy industry members because of the ruling by Judge Van Niekerk. It is reported to face, too, legal costs of R750 000.

Judge Van Niekerk said he was concerned that huge subsidies were paid by the board to manufacturers at a time of enormous surpluses of dairy products.

The case was brought by Homestead Independent Dairies against the board, the Minister of Agriculture and the National Marketing Council. — Sapa

## Board to <sup>3</sup> appeal on milk ruling

CT 25/6/92  
Supreme Court Reporter

THE Dairy Board is to appeal against a Supreme Court judgment which declared void government notices compelling milk producers to pay levies and special levies on milk.

This was confirmed yesterday by Dr. Kraai van Niekerk, Minister of Agriculture, who said that after "deep reflection" he had approved a request by the Dairy Board to appeal against the judgment by Mr Justice A M van Niekerk in an action brought by Independent Food Processors, trading as Homestead Dairies, against the minister, the Dairy Board and the National Marketing Council.

Dr Van Niekerk said the matter had been referred to a senior advocate.



# Dairy co-op plans to milk the JSE for growth capital

CAPE TOWN — The R700m-a-year Cape Dairy Co-operative (CDC) is to be converted into a private company, Bonnita Holdings, which is destined for a JSE listing before September 30 1995, the first direct listing of a dairy on the JSE.

The majority of the 1 800 members of the co-operative — which sells 25% of all SA's milk and is the second largest dairy in the country — approved the scheme at meetings this week. The restructuring follows that of food canning co-operative Langeberg, which was recently listed on the JSE.

CDC finance GM Stewart Maxwell said at a news conference yesterday that the restructuring of the co-operative into a private company with issued shares would overcome the difficulties co-operatives faced in capital formation.

Maxwell said the step would also enable CDC to obtain permanent capital outside the agricultural sector and assist it in improving its balance sheet.

Permanent capital was required to reduce interest-bearing debt, which currently stood at R150m and whose financing was eroding profits.

"Since the amalgamation of CDC and United Dairies Co-operative in 1989, CDC has experienced considerable organic growth without obtaining additional permanent capital from its members to

finance this growth," CDC said.

"Although CDC's growth in profit before earnings compares favourably with listed food companies, its financial structure compares less favourably with those companies. A profitable business such as CDC should not be handicapped by a financial structure that could curtail growth."

In terms of the restructuring which was retrospective to March 1, CDC would sell its assets for R80m to Bonnita Holdings which in turn would be the sole owner of operating company Bonnita.

After restructuring and the eventual conversion of debentures, CDC would hold 60% of Bonnita Holdings and would continue to function as a primary co-operative, giving members the benefits of both a private company and a co-operative.

A total of 46-million convertible debentures representing 40% of the issued share capital would be offered to co-operative members, personnel and an employees trust at 75c each. These would later be converted into shares. CDC would pay out R18m to the 1 200 milk producers out of their deferred bonus funds to enable them to subscribe to this offer. An additional 20-million shares would be issued to bring CDC's stake in Bonnita Holdings to 51%.

LINDA ENSOR

# Milk price goes up on Monday

Staff Reporter

THE price of milk is to increase by 4c for one litre and 16c for two litres at some supermarkets on Monday, but at least one distribution company will hold back on price hikes for the moment.

The price hikes were confirmed yesterday by Cape Dairy Co-operative (Bonnita) and Dairybelle.

But the independent Homestead Dairy's managing director, Mr John Jacobs, said his company would hold off the price rise.

Mr Jacobs declined to say how long Homestead would keep its present price.

A Shoprite spokeswoman said that on Monday one litre would increase by 4c to R1,75, two litres would increase by 16c to R4,29, and a half-litre would increase by 11c to R1,25. The prices would be the same at Checkers, she said.

Mr John Barry, general manager of Pick'n Pay Western Cape, which is supplied mainly by Homestead, said the current milk prices would remain in effect on Monday. Pick'n Pay prices are: A half litre of milk costs R1,14, one litre costs R2,03 and two litres costs R3,99.

While Homestead's wholesale prices will remain the same, a Dairybelle spokesman said the wholesale cost of a half-litre of milk would increase from R1,06 to R1,17. One litre would increase from R1,94 to R2,01 and two litres would increase from R4,04 to R4,45.

Bonnita's chief of fresh milk products, Mr Phillip du Plessis, declined to comment on wholesale-price increases by Bonnita, but said he attributed the increases to the ripple effect of the fuel price hikes and increased labour costs.

He said increases had been "imminent for quite a long time", but with the advent of VAT it had been held off.

At cafés milk prices are also expected to soar as they are not subjected to the concessionary milk prices given to supermarkets by distributors.

Meanwhile, the Housewives' League has warned that egg prices could rise within a few weeks by more than 45c a dozen.

The warning follows an announcement that egg prices in Natal are to rise by 50c a dozen on Monday and that another increase is in the pipeline.

3-MILK



# Milk producers approve CDC restructuring

③ MILK  
ET 26/6/92

Staff Reporter

THE "reconstruction" of the Cape Dairy Co-operative Ltd (CDC), the country's second largest dairy concern, was approved by the majority of its shareholders (milk producers) at series of special meetings, the CDC announced in Stellenbosch yesterday.

The restructuring will reduce state control and facilitate adaptation to a free market system.

The co-op handles 25% of the country's milk — 1,2 million litres daily — and has a turnover of R700m a year.

Marius Kritzinger, GM (marketing), said CDC's interests will be restructured so that a dormant subsidiary would be converted into a new holding company, Bonnita Holdings Ltd. Bonnita Holdings would hold the entire issued share capital of operating company Bonnita (Proprietary) Ltd.

CDC will sell its business assets and liabilities to the operating company for R80m but would continue to co-ordinate the collection and supply of milk delivered by members.

The CDC would however remain a primary co-operative and continue to operate in terms of its statute, he said.

Kritzinger said the shareholding in Bonnita Holdings would change so that CDC members, personnel and a Trust (set up for employees) would be invited to subscribe for convertible debentures in Bonnita Holdings which would not exceed 40% of the company's issued ordinary share capital.

One of the objectives of the reconstruction was to have shares of Bonnita Holdings listed on the JSE by September 1995. The 30m convertible debentures available means that members could either opt for cash (R18m) or buy more convertible debentures.

# How chaos ③ Milk + Dairy was set STAR 2/16/62 in motion

BURDENING milk distributors instead of farmers with milk levies proved to be a trigger which set in motion a chaotic sequence of events in the milk industry, a judge has found.

Behind the move was the industry's Big Four — Bonita, National Co-op Dairies, Dairy Belle and Nestle — who stood to make millions by undermining the milk industry. Mr Justice A van Niekerk found that after the new scheme was introduced, surplus production increased 235 percent.

The Big Four were able to have the regulations passed because they had a vice-like control of the Dairy Control Board (DCB).

By forcing milk distributors to pay the levy, the system restraining farmers from overproducing was removed and the market was flooded with milk.

This flew in the face of any logic behind the existence of the control board. The DCB is supposed to keep the milk price stable by trying to maintain a constant output of milk.

Farmers had a vested interest in controlling their output when they were still paid the levy. Under the old system, they also found themselves getting a lower milk price if they overproduced. But under the new system, members of the co-ops Bonita and NCD — who were all farmers — were encouraged to overproduce because prices were not set, and the Big Four received lucrative subsidies from the DCB to then convert the surpluses into butter, milk powder and skim milk, which have a longer shelf-life.

Mr Justice van Niekerk found that the subsidies which the Big Four were effectively granting themselves guaranteed a 15 percent profit for buying surplus milk. This came at a time when smaller distributors were struggling. They found themselves paying levies to subsidise competitors who were then in an even stronger position in the marketplace.

clique, known in the industry as the Big Four, freed from the DCB and is al-

The court found that the Big

shortage at the time. But the Big Four's power

# Coup bid almost a success

START

2/16/82

3 Dairy + Milk

MARCH 1982 is a month the dairy industry is not likely to forget. It saw a nationwide attempt by the Big Four to hijack the entire supply of milk in South Africa. Almost overnight, smaller dairies suddenly found that milk supplies had dried up and prices had skyrocketed.

The hijacking took place with military precision. The Big Four were able to use their vast financial resources to buy the fleets of food tankers which had previously supplied the small dairies with milk. And they were also able to outbid the small businessmen at the farm gate.

The distributors, alarmed, turned to anger when they realised that the Big Four had usurped the role at the time of the Dairy Control Board (DCB), and were illegally buying milk directly from farmers.

Legislation at the time required the DCB to buy milk from farmers or controlled prices and then to supply the distributors. The situation was to continue until September 1982, when the Big Four were able to set in

motion the legislation necessary to legalise their actions and to allow other suppliers to buy directly from farmers.

During this "window period" they were able to use their power on the DCB to crush competitors and consolidate their position. Plans by distributors to the DCB to end the illegal practice by the Big Four met with no success. Anger turned to revolt when the distributors were informed that the olive power bloc in

the DCB had decided that distributors, and not farmers, would have to shoulder the weighty burden of milk levies.

A small group in the Transvaal immediately announced they were not going to pay the levy, which the Cape Supreme Court has since found effectively meant they were subsidising their competitors. Only after Homestead Independent Dairy managing director John Jacobs suc-

cessfully challenged the situation in court was the debacle brought to an end this month.

During the "window period" attempts made by distributors to buy directly from farmers were met with hostility by the Big Four, comfortably endorsed in the DCB, who threatened them with prosecution.

Farmers were also induced not to supply the smaller dealer directly. It was only after small dairies formed the National Milk Distributors Association that they were able to effectively challenge the power of the Big Four.

SHOULDER BURDEN OF MILK LEVIES



# Judgment hits Dairy Board's levy income

B/DAG 20/7/92

(3) milk + Dairy

LINDA ENSOR and CHARLIE PRETZLIK

CAPE TOWN — The Dairy Board, faced with a shortfall in levies after a Cape Supreme Court judgment which declared them unlawful, was living off its reserves, which totalled about R10m-R14m, GM Edu Roux said at the weekend.

Roux said some levies had not been paid, although other milk distributors had continued to pay. It was not legally possible to enforce payment, he said.

"The board can make ends meet with limited levies," Roux said, although he conceded it was living off reserves at present. However, there was no need to cut back on staff, who numbered about 90.

The two largest manufacturing distributors in SA, National Co-operative Dairies and Cape Dairy (trading as Bonnita), are believed to have continued payments.

The court judgment found that manufacturing distributors had benefited most from the Dairy Board's system of levies and subsidies.

The Dairy Board depends on levies as the sole source of operating income for its agent, the Dairy Services Organisation. In the year to end-February the board spent R8,5m on administration, giving it a monthly operating budget of about R700 000. Its total annual budget, including marketing, industry services and a stabilisation fund, amounted to R95,8m.

Roux said the board had decided to apply to the Cape Supreme Court for leave to appeal

against the judgment, but the case had not been heard yet.

Cape Dairy marketing GM Marius Kritzinger said the dairy would continue to pay levies until the legislation was changed.

Dairy Board assistant financial manager Johann Tron said "the board is under financial pressure". He would not disclose, however, what levies had been paid since they were due on July 15.

"I have a specific responsibility to the board," he said. "The whole matter of the payment of levies is not a public matter."

Last week Roux said the first day of levy collection had brought in only R200 000.

Few, if any, of the independent dairies intend to pay this year's levies. In addition, two of the larger contributors to the Dairy Board, Dairybelle and Nestlé, are uncertain as to whether or not to pay up pending the board's appeal on the illegality of the levies.

Dairybelle chairman Doug Howie said the matter would be discussed today but that Dairybelle would probably pay its levies into a trust fund administered by its lawyers.

Nestlé spokesman Dave Upshorn said "no decision has yet been taken, but we have not paid yet". He said Nestlé, too, would probably put the money in a special fund, but not give it to the Dairy Board.

# Large milk surplus threatens producers

③ milk + Dairy

BIDAY 12/8/92

THE milk price was set to drop in the next few months because of a "massive surplus" which could force hundreds of small producers out of business, Dairy Board member Frik Grobler warned yesterday.

Grobler, who is chairman of the National Milk Distributors' Association, which represents 450 independent dairies around the country, said SA would be faced with "a surplus of 20 000t by September if production is not cut back immediately".

This was confirmed yesterday by Dairy Board GM Edu Roux, although he believed a surplus was not likely to develop until some time next year.

Both men said prices were likely to come down only for distributors. Grobler said consumers were unlikely to benefit.

The stabilisation fund normally operated by the Dairy Board to maintain ruling prices is currently not operating because of a lack of funds. This year only R250 000 was collected in levies, the board's only source of income, compared with R95m last year.

Previously, the Dairy Board used the

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stabilisation fund to buy surplus milk and sell it abroad cheaply, while maintaining prices in SA. The fund also kept prices stable in times of milk shortages.

Levy payments dropped this year after a Supreme Court judgment in June which declared the levy system unlawful.

Grobler blamed the impending crisis on a drop in demand, but no corresponding fall in production. The fall in consumption, he said, was a result of the general economic situation and the political unrest which prevented distributors from reaching many townships. "We haven't supplied 10% of the demand there," he said.

Roux said a new stabilisation scheme was being drawn up by the Dairy Board.

Homestead Dairies MD John Jacobs, who brought the court action against the Dairy Board, said he was unaware of any impending surplus but confirmed that if there was one, it would depress prices considerably and force many producers out of business.

# 'Surplus to push down milk price'

③ MILK T2/8/92

## Own Correspondent

JOHANNESBURG. — The price of milk is set to drop in the next few months because of a "massive surplus" which could force hundreds of small producers out of business, Dairy Board member Mr Frik Grobler warned yesterday.

Mr Grobler, who is chairman of the National Milk Distributors' Association which represents 450 independent dairies around the country, said South Africa would be faced with "a surplus of 20 000 litres by September if production is not cut back immediately".

This was confirmed yesterday by Dairy Board general manager Mr Edu Roux, although he believed a surplus was not likely to develop until sometime next year.

Both men said prices were likely to come down for both consumers and distributors.

The stabilisation fund normally operated by the Dairy Board to maintain ruling prices is currently not operat-

ing owing to a lack of money. This year only R250 000 was collected in levies, the board's only source of income, compared with the R95 million collected last year.

The Dairy Board used to use the stabilisation fund to buy surplus milk and sell it abroad cheaply while maintaining prices in South Africa. The fund also kept prices stable in times of milk shortages.

The drop in levy payments this year is due to a Supreme Court judgment in June which declared the levy system unlawful.

Mr Grobler blamed the impending crisis on a drop in demand, but no corresponding fall in production.

The fall in consumption, he said, was due to the general economic situation and to political unrest which was preventing distributors from reaching many townships.

"Production must be disciplined now," Mr Grobler urged.

Mr Roux said a new stabilisation scheme was being drawn up by the Dairy Board, but the details were yet to be finalised.



# Cheese price up

## 20 percent in a year

③ Dairy + milk  
STAR 13/8/92  
By John Miller

The price of cheese has risen by 20 percent in the past year and it appears to be heading towards R20/kg, according to industry sources.

Pieter Roux of the Dairy Services Organisation said that while cheese could be imported and sold at lower prices than the domestic product, this would not be allowed in order to protect the dairy industry.

"We can import just about every commodity cheaper these days, from cars through to clothing, but we need to protect the almost 1 million people the dairy industry employs."

Mr Roux said many governments around the world subsidised cheese exports, making competition unfair and sometimes impossible.

While import permits would not be granted, a new import tariff would shortly be introduced to force the price of imported cheese to match that of the local product.

Pick 'n Pay food merchandising director Shaun Summers said the price of cheese had gone up by more than 20 percent in the past year and blamed the dairy industry for the increase.

"Cheese is in the hands of two or three major manufacturers," he said.

Danie Hugo, managing director of Dairybelle, a cheese manufacturer, denied that a mini-cartel existed. He said present prices were not only due to the amount of milk used to make cheese but were also caused by inflation and rising wages.

# Consumer won't gain if milk price dips

By Zingisa Mkhumbane  
Consumer Reporter

(3) Milk Dairy

The price of milk is expected to decrease slightly, but the benefit will not be passed on to consumers, a Dairy Board spokesman said yesterday.

The spokesman said the decrease could be less than 1c a litre and would not be significant enough to be passed on to consumers.

Manufacturers and distributors would absorb the windfall

instead, according to the spokesman. *STAR 13/8/92*

A morning newspaper reported yesterday that the milk price was set to decrease in the next few months because of a "massive surplus" which could force hundreds of small producers out of business.

A member of the Dairy Board, Frik Grobler, was quoted as saying South Africa would have a surplus of 20 000 litres of milk by September if

production was not cut back immediately.

But another spokesman told The Star that at the moment there was a shortage of milk and the board would wait and see what happens in the next few months.

The Dairy Board spokesman added that the board's predictions were that the price of milk would not drop until the summer months, when good rains are expected in the country.

# Price of milk up by 18 c a litre

STAR 14/8/92

(3) MILK + DAIRY

Staff Reporters

The price of milk supplied by two leading manufacturers — Dairybelle and Bliss/Nel — will rocket by 18c a litre from Monday when a litre of their full-cream milk will cost R2,40.

Advising consumers to resist the increase by shopping around for the best price, a Dairy Board spokesman said the organisation was not empowered to intervene since the milk industry was decontrolled in 1983.

Dairybelle general manager Jan Kotze justified the increase because farmers' costs had risen due to the drought and the unavailability of fodder.

## Challenged

But he was challenged by Northern Milk Producers chairman Willie Fourie, who said he was unaware of any dairy farmer whose costs justified a 20 percent increase in the price of the milk they produced.

The Dairy Board spokesman said milk had been sold on a free-market system since deregulation.

Effectively each buyer (in this case the manufacturer/processor of the product) put his own price on milk bought from the producer/farmer.

Manufacturers increased their prices on average twice a year.

The latest increase follows claims by Dairy Board chairman Edu Roux in an address to the Northern Milk Producers' congress this week that the industry was heading for a milk surplus which could result in the producer price coming down.

By way of clarification the board spokesman said that if the farmers oversupplied the manufacturers who were unable to handle the increased quantities, the farmers would be offered lower prices for their milk.

# Reprieve for Cape as Vaal milk leaps 18c

By EUNICE RIDER

CAPE consumers have escaped an 18-cents-a-litre milk price increase to be implemented in the Transvaal from Monday.

The news comes in the wake of reports earlier this week that prices are expected to drop in the new year because of a milk surplus.

The chairman of the National Milk Distributors' Association, Mr Frik Grobler, said on Tuesday that unless prices dropped, hundreds of small producers would be forced out of business.

Cape Dairy Belle general manager Mr Barry Hilderbrand said last night that Dairy Belle in the PWV area would increase its milk price on Monday, but the Cape branch was not con-

Staff Reporter

MORE than 100 unemployed workers invaded the OK Bazaars in Adderley Street and helped themselves to R1 000 worth of bread and milk while police and security guards looked on yesterday.

The action, orchestrated by the Western Cape Unemployed Workers' Union and supported by strikers from the National Union of Metalworkers, was in protest against high food prices and the alleged dumping of surplus milk.

OK Bazaars branch manager Mr Johan Theron asked the police not to intervene.

templating doing so soon.

Cape Dairy Co-Operative Limited (trading as Bonnita) general manager Mr Phillip du Plessis said prices would have to be increased soon as labour and raw material costs had increased.

Dairybelle's Transvaal general manager, Mr Jan Kotze, said costs had risen because of the drought and the unavailability of fodder.

③MILK  
CT 14/8/92

## Milk price increase <sup>③</sup> row deepens

PRETORIA. — The milk price increase row deepened yesterday as the Consumer Council entered the fray and claimed many milk producers had denied their costs had gone up.

Two leading dairies, Bliss/Nel and Dairybelle, announced on Thursday they would increase milk prices by 18c a litre from Monday.

Consumer Council executive director Mr Jan Cronje said yesterday that although producer price increases had been cited as motivation for the retail price increase, "many of their (the dairies) milk producers ... refuted this claim". — Sapa

# Price rise 'no help in averting surplus'

LAST week's 18c milk price rise by Dairybelle and Bliss/Nel may not help efforts to avert a surplus by encouraging farmers to cut back on production, Dairybelle MD for the PWV Jan Kotze said at the weekend.

Kotze said the rise to R2,40 was necessary because of escalating costs. "Increases in wages and costs to farmers have meant that since last September we have seen a 20% increase in the price we buy milk at from our producers," he said.

He said Dairybelle was considering another price increase in September.

He denied media allegations that some producers were not aware of any escalation of costs justifying a 20% rise in the price of milk.

In fact, the price of milk to the consumer will only rise by 9%.

At the weekend, a spokesman for a

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major distributor in the PWV area questioned the fact that both companies had altered their prices by the same amount on the same day.

Kotze vehemently denied any suggestion of collusion. He said he had "no direct contact with other distributors".

National Co-operative Dairies (NCD) chairman Marthinus Hermann — who said he was also considering a price increase on Clover milk in the few weeks — claimed there was "no love lost" between the distributors. "It is more likely that one heard a rumour of the other's plan and decided to react accordingly," he said.

In a statement at the weekend Shoprite/Checkers Group MD Whitey Basson promised that consumers

would be spared some of the burden of the milk price increase.

"Almost all Shoprite/Checkers stores will be selling alternative brands to those of Bliss/Nel, Dairybelle and Clover, and these will offer a consumer price advantage," he said.

Last week Dairy Board member Frik Grobler warned that a price increase to producers would over-stimulate production. The largest manufacturing distributors NCD, Cape Dairies, Dairybelle and Nestlé — who control 80% of production — did not want to reduce production because they profited from every litre they processed, he alleged.

Cape Dairy marketing GM Marius Kritzinger warned, however, that "we do expect a drop in demand", the main cause of the predicted surplus.

# Milk price rise angers ③ milk + Dairy consumers

STAR 18/8/92  
By Zingisa Mkhuma  
Consumer Reporter

The 18c-a-litre increase in the price of milk, effective from yesterday, has angered consumers.

Dairybelle, Bliss/Nels and Clover announced on Friday that consumers would now have to pay R2,40 a litre for full-cream milk. Dairybelle spokesman Jan Kotze said the increase was due to rising farming costs caused by the drought.

Consumers said they were angry because the increases were announced only a day after the Dairy Board had indicated that the milk price was set to drop because of "massive surpluses". However, the board warned that the benefit would not be passed on to consumers.

A board spokesman said the board could not intervene.

Shoprite/Checkers managing director Whitey Basson said the increases came as a "cruel blow" to consumers. He promised to cut prices on Dairybelle, Bliss/Nel and Clover products on his shelves and said he would be negotiating with smaller suppliers.

National Co-operative Dairies (NCD) announced price increases of around 9%, due to a doubling of animal-feed prices, 15% wage increases and escalating packaging costs, reports circulated alleging the existence of yet another surplus — usually good reason to see prices drop. The public reaction was intense.

But the Dairy Board, the Milk Producers' Organisation of the SA Agricultural Union (representing 8 000 producers), and a number of large milk buyers all say there is no national milk surplus. They also say a stockpile of surplus milk products is now highly unlikely, given the effects of the lengthy drought and that the industry is in the winter-ebb phase of production.

Says the board's Johan Theron: "If there is any surplus, it would be among the small dairies — dealing only in fresh milk products — that would have been affected by the mass action and stayaways, which generally hampered their access to the markets." NCD's Chris Lerm says his co-operative — the country's largest — is now experiencing a shortage of supplies and recently bought butter and other milk solids from the board.

Theron says statistics available to the board suggest that supply and demand are now balanced, though both are lower than last year. But this doesn't rule out the possibility of a future national surplus. Says Theron: "We are entering the critical cycle of production, where milk production will automatically increase with early rains and new calves by early next year. Unless consumption picks up, we could well face a surplus."

The controversy over whether and when a surplus will occur points, of course, to greater issues in the industry — largely the stabilisation of prices and supply and who should be responsible for this function.

The dairy industry is probably the least regulated of the agricultural sectors. The milk price was decontrolled in 1983 and, in real terms, milk is cheaper now. But the push for further deregulation has thrown the industry into turmoil. The June Supreme Court decision declaring unlawful the board's mandatory levies on bulk milk buyers, manufacturers and distributors since 1987 highlights this turmoil. The decision questions the need for the board and indeed, the legitimacy of every agricultural control board using compulsory levies.

The ruling may be appealed but, either way, the industry die seems cast. The board confirms that most industry players have suspended their levy payments and the board is fast heading towards the red.

In a nutshell, the industry has lost confidence in the board's ability to stabilise the industry for everyone's benefit. The past few years have been characterised by massive shortages followed by even larger surpluses, a lot of lost money and a great deal of uncertainty.

Particularly contentious is the compulsory stabilisation levy, which was, until recently, 4,97c/l payable to the board by all wholesale milk buyers. In a system that dates to 1930,

this money is pooled in a stabilisation fund that is used to subsidise dairies manufacturing butter and skim milk powder when there is a surplus of these products. The upshot is that dairies, operating only in the fresh-milk market, argue that they receive no support and therefore no benefit from the levy. They claim the system favours only big manufacturers and tends to create surpluses.

The large manufacturers, however, disagree. They say the system ensures that non-manufacturers' surpluses are bought. "The levy is in a sense like an insurance premium. Everyone pays the premium to cover the risk, but not everyone has a claim," says Japie Dreyer, past CE of NCD.

The real issue is that most insurance policies are not compulsory. An alternative stabilisation scheme, proposed by the board last September, failed to appease the industry, largely because it sought to retain compulsory levies.

By contrast, a privately operated voluntary scheme, designed by NCD to avoid surpluses and shortages, appears to be operating smoothly. While the scheme gives NCD greater control over milk production and the entry of new producers to the market, it is also attractive to farmers. It involves a Milk Quota Exchange, in which members, whose milk quotas are coupled to paid-up shares, are able to dispose of their quotas at market-related prices.

In practice, NCD allocates quotas according to its members' production history and initially to non-members on the same basis, provided they supply milk in bulk and become members. NCD then offers a guaranteed price for 70% of this allocation. The other 30% is not guaranteed and will be revised every six months. This scheme largely removes any incentive towards over-production.

Nine large businesses control about 90% of the dairy industry, and the other eight are bound to follow NCD and introduce similar schemes. Tiny Liebenberg of the Milk Producers' Organisation believes that self-stabilisation schemes could come to dominate the industry as farmers seek a guaranteed outlet for their milk. During the past 18 months, the producers have been particularly active in questioning the merits of the levy system and the producer floor price. After the court decision, the committee asked the board for clarity on its future role in the industry.

Johan Theron, of the Dairy Services Organisation, the board's marketing and administrative arm, says the industry — producers, buyers and manufacturers — will have to decide whether the board will continue to have a stabilisation function and whether it should be financed under a statutory scheme or be made voluntary.

Liebenberg believes that the industry will never be able to do without a neutral coordinating and facilitating body, though he suggests that its chief role should be to supply timeous industry information to every body to enable the industry to make its own

**BUSINESS & TECHNOLOGY** (3) Dairy  
 FM 21/8/92  
 decisions and take responsibility for them. Many would argue that the laws of supply and demand could well iron out the increases in the industry. Says Lieb Niewoudt, professor of agricultural economics at the University of Natal, Maritzburg: "Though the free market is less certain, it's also more flexible. Controls inevitably lead to increased prices. Freedom of trade and sale are essential."



# Milk price sours on consumers

STAR 25/8/92.

③ Milk + Dairy

**T**HE price of milk is turning sour for cash-strapped consumers.

Three dairies, Dairybelle, Bliss/Neils and Clover announced earlier this month that they were increasing the price of full-cream milk by 18c a litre.

Consumer groups have urged buyers to shop around and buy milk from dairies which have not increased prices, and to consider alternatives to the fruit of the cow.

A new option on the market is a soya bean milk product. It has the same protein content as skimmed milk and is cheaper, says its developer Alan Winer of Wendywood.

The soya milk has been entered in the Audi Innovators for the Environment project and, he says, is ideally suited to famine relief work. It has an unrefrigerated shelf-life of six months and can be produced in powder form and a variety of flavours.

Samples of the milk have been sent to the United Nations. The Swaziland Drought Relief Committee has already given it the green light.

Mr Winer says his drink contains more vitamins, calcium and minerals than skimmed milk. It is suitable for people who are allergic to lactose (milk sugar) as it is lactose-free, and can be



**Not so sweet . . . the rising milk price is forcing cash-strapped consumers to look for alternatives.**

used to make baby formulas. A sour milk product with a high nutritional value can also be used to supplement the diet of low-income consumers, says Daan de Lange of the Irene Research Institute, an animal and dairy science research group. The main sour-milk products on the market are yoghurt, calcium milk and buttermilk.

Digestion and absorption

of sour-milk products, he says, are better than those of plain milk. And people who are allergic to milk or intolerant of lactose, are better able to assimilate fermented milk products.

Sister Jeanette Molefe, field services manager for the African Children's Feeding Scheme, which feeds more than 22 000 malnourished children in black town-

ships, says if the price of milk continues to go up, her organisation may turn to alternatives.

Mrs Nonia Ramphomane of the Black Consumer Union agrees that cheaper soya milk could be an alternative to skimmed and powdered milks which are far too expensive for most consumers.

● Woolworths has announced

that it will not increase the price of its milk this year. The price of all its milks, from full cream to low fat, two percent fat or fat free, as well as the company's "farmstyle" range, will remain the same, says spokesman Gabi Lowe. Woolworths' farmstyle milk is milked, bottled and delivered within 24 hours to its stores nationwide.

(2) vervang subklousule (1) (c) deur die volgende:

“(c) *Los werknemers*: Behoudens die voorbehoudsbepaling in paragraaf (a), moet 'n werkgewer 'n los werknemer ten opsigte van elke uur of gedeelte van 'n uur (uitgesonderd oortyd) wat hy op enige dag behalwe 'n betaalde vakansiedag of 'n Sondag werk, minstens die uurloon voorgeskryf by paragraaf (b) saamgelees met klousule 2 (54) vir 'n gewone werknemer wat in dieselfde gebied dieselfde klas werk verrig as dié wat van die los werknemer vereis word plus 15 per sent, of minstens die uurloon of die uurlikse ekwivalent van die loon wat werklik aan die gewone werknemer betaal word, watter bedrag ook al die grootste is, betaal: Met dien verstande dat—

(i) by die toepassing van hierdie paragraaf die uitdrukking ‘die gewone werknemer’ die werknemer beteken wat die betrokke klas werk in die werkgewer se voltydse diens verrig en aan wie die laagste loon vir daardie klas werk betaal word;

(ii) waar die werkgewer van die los werknemer vereis—

(aa) om die werk te verrig van 'n klas werknemer vir wie 'n loon teen 'n stygende skaal voorgeskryf word, die uitdrukking ‘uurloon’ die uurloon beteken wat vir 'n gekwalifiseerde werknemer van daardie klas voorgeskryf word;

(ab) om vir 'n tydperk van minder as vier uur op 'n dag te werk, hy geag word vir vier uur te gewerk het.”; en

(3) in subklousule (1) (d), skrap die komma na die woorde “in paragraaf (a)” en voeg in die sinsnede “en in paragraaf (b),”.

2. In klousule 4, in subklousule (6) (f) vervang die punt na die woord “nie” deur 'n dubbelpunt en voeg by die sinsnede “Met dien verstande voorts dat hierdie voorbehoudsbepaling nie geld nie waar die dienskontrak beëindig word”.

3. In klousule 5, vervang subklousule (7) (a) deur die volgende:

“(a) Hierdie klousule is nie van toepassing nie op enige klas werknemer wat gereeld 'n jaarlikse loon ontvang van minstens die beloning wat vir die gebied waarin hy werksaam is, bepaal is in 'n bestaande vrystelling wat kragtens artikel 34 (1) van die Wet op Basiese Diensvoorwaardes, 1983 (Wet No. 3 van 1983), gepubliseer is.”.

**F. S. P. DE VILLIERS,**  
Voorsitter.

**J. P. B. MARAIS,**  
Lid.

**S. ARIEFDIEN,**  
Addisionele lid.

**M. J. DELPORT,**  
Sekretaris.

Pretoria, 17 Desember 1991.

No. R. 2506

4 September 1992

WET OP MANNEKRAGOPLEIDING, 1981

SUIWELBEDRYFOPLEIDINGSKEMA

Ek, Leon Wessels, Minister van Mannekrag, verklaar hierby, kragtens artikel 39 (5) van die Wet op Mannekragopleiding, 1981, dat die bepalings van die Skema soos gepubliseer by Goewermentskennisgewing No. R. 2041 van 31 Augustus 1990, soos gewysig by Goewermentskennisgewing No. R. 2401 van 4 Oktober 1991, met ingang van 10 September 1992 vervang word met die Skema wat in die Bylae hiervan verskyn en bindend is vir alle werkgewers en werknemers wat betrokke is by of in diens is in die Suiwelbedryf in die

(2) substitute the following for subclause (1) (c):

“(c) *Casual employees*: Subject to the proviso to paragraph (a), an employer shall pay a casual employee in respect of each hour or part of an hour (excluding overtime) worked by him on any day other than a paid holiday or a Sunday not less than the hourly wage prescribed in paragraph (b) read with clause 2 (24) for an ordinary employee who in the same area performs the same class of work as the casual employee is required to do, plus 15 per cent, or not less than the hourly wage or the hourly equivalent of the wage actually being paid to the ordinary employee, whichever is the greater amount: Provided that—

(i) for the purposes of this paragraph the expression ‘the ordinary employee’ means the employee who performs the particular class of work in the employer’s full-time employ and who is being paid the lowest wage for that class of work;

(ii) where the employer requires the casual employee—

(aa) to perform the work of a class of employee for whom wages are prescribed on a rising scale, the expression ‘hourly wage’ shall mean the hourly wage prescribed for a qualified employee of that class;

(ab) to work for a period of less than four hours on any day, he shall be deemed to have worked for four hours.”; and

(3) in subclause (1) (d), delete the comma after the words “paragraph (a)” and insert the phrase “and paragraph (b),”.

2. In clause 4, in subclause (6) (f), substitute a colon for the full stop after the word “concerned” and add the sentence “Provided further that this proviso shall not apply where the contract of employment is terminated”.

3. In clause 5, substitute the following for subclause (7) (a):

“(a) This clause shall not apply to any class of employee who is in receipt of a regular annual wage of not less than the remuneration stipulated for the area in which he is employed in a current exemption published in terms of section 34 (1) of the Basic Conditions of Employment Act, 1983 (Act No. 3 of 1983).”.

**F. S. P. DE VILLIERS,**  
Chairman.

**J. P. B. MARAIS,**  
Member.

**S. ARIEFDIEN,**  
Additional member.

**M. J. DELPORT,**  
Secretary.

Pretoria, 17 December 1991.

No. R. 2506

4 September 1992

MANPOWER TRAINING ACT, 1981

DAIRY INDUSTRY TRAINING SCHEME

I, Leon Wessels, Minister of Manpower, hereby, in terms of section 39 (5) of the Manpower Training Act, 1981, declare that the provisions of the Scheme as published in Government Notice No. R. 2041 of 31 August 1990, as amended by Government Notice No. R. 2401 of 4 October 1991, is substituted by the Scheme which appears in the Schedule hereto and which shall be binding with effect from 10 September 1992, upon all employers and employees engaged or employed in the Dairy Industry in the Republic of South

Republiek van Suid-Afrika, hetsy hulle lede van die Opleidingsraad vir die Suiwelbedryf is al dan nie: Met dien verstande dat die Skema sal eindig op die datum van intrekking van die Skema kragtens artikel 39 (3) van die bogenoemde Wet.

**L. WESSELS,**  
Minister van Mannekrag.

### BYLAE

Die Opleidingskema vir die Suiwelbedryf, hierna "die Bedryf" genoem, is ingestel deur werkgewersorganisasies in die Bedryf, kragtens artikel 39 (4) van die Wet op Mannekragopleiding, 1981, vir die opleiding van werknemers in die Bedryf en maak voorsiening vir die instelling van 'n fonds vir die doeleindes van die Skema, die betaling van bydraes aan die Fonds deur werkgewers in die Bedryf en die aanwysing van die Opleidingsraad vir die Suiwelbedryf om die Fonds, wat as die "Suiwelbedryfopleidings- en ontwikkelingsfonds" bekend sal staan, te administreer.

#### 1. Naam van die Skema

Die naam van die Skema is die "Suiwelbedryfopleidingskema".

#### 2. Toepassingsbestek van die Skema

Die bepalinge van die Skema moet nagekom word deur alle werkgewers en werknemers in die Suiwelbedryf in die Republiek van Suid-Afrika, hetsy hulle lede van die partye tot die Opleidingsraad vir die Suiwelbedryf is al dan nie.

#### 3. Woordomsrywings

Enige uitdrukking gebruik in hierdie Skema wat gedefinieer word in die Wet op Mannekragopleiding, 1981, het dieselfde betekenis as in die Wet en enige verwysing na die Wet omvat enige wysigings aan die Wet en enige regulasies uitgevaardig ingevolge die Wet en, tensy onbestaanbaar met die sinsverband beteken—

"Fonds" die Suiwelbedryfopleidings- en -ontwikkelingsfonds bedoel in klousule 5;

"opleidingsaansporing" enige skenking, subsidie, premie of ander voordeel, hetsy finansiële of andersins, betaal deur of verkry van die Fonds of geskenk ingevolge hierdie Skema aan 'n werkgewer vir die opvoeding en opleiding van sy werknemers;

"Raad" die Opleidingsraad vir die Suiwelbedryf;

"Registrateur" die Registrateur van Mannekragopleiding aangestel ingevolge die Wet;

"Skema" die Suiwelbedryfopleidingskema;

"Suiwelbedryf" of "Bedryf" die sekondêre Suiwelbedryf, wat alle verwerkers en bemarkers van melk of melkvastestowwe insluit wat by die Suiwelraad geregistreer is as melkkoper, produsent-distribueerder, bottervervaardiger, proseskaasvervaardiger en plaaskaasvervaardiger ingevolge die Suiwelskema gepubliseer in Proklamasie R. 290 van 1978, soos gewysig, en sluit ook roomysvervaardigers in;

"werknemer" enige werknemer soos gedefinieer in die Wet, wat in diens is by of werk vir 'n werkgewer in die Bedryf; en

"Wet" die Wet op Mannekragopleiding, 1981 (Wet No. 56 van 1981).

Africa, whether or not they are members of the Training Board for the Dairy Industry: Provided that the Scheme shall terminate on the date of withdrawal of the Scheme in terms of section 309 (3) of the above-mentioned Act.

**L. WESSELS,**  
Minister of Manpower.

(3) Milk Dairy

### SCHEDULE

The Training Scheme for the Dairy Industry, hereinafter referred to as "the Industry", has been established by employers' associations in the Industry in terms of section 39 (4) of the Manpower Training Act, 1981, for the training of employees in the Industry and provides for the establishment of a fund for the purposes of the Scheme, the payment of contributions to the Fund and the appointment of the Training Board for the Dairy Industry to administer the Fund, which shall be known as the "Dairy Industry Training and Development Fund".

#### 1. Name of the Scheme

The name of the Scheme shall be the "Dairy Industry Training Scheme".

#### 2. Scope of application of the Scheme

The provisions of the Scheme shall be observed by all employers and employees in the Dairy Industry in the Republic of South Africa, whether or not they are members of the parties to the Training Board for the Dairy Industry.

#### 3. Definitions

Any expression used in this Scheme which is defined in the Manpower Training Act, 1981, shall have the same meaning as in the Act and any reference to the Act shall include any amendments to the Act and any regulations issued in terms of the Act and, unless inconsistent with the context—

"Act" means the Manpower Training Act, 1981 (Act No. 56 of 1981);

"Board" means the Training Board for the Dairy Industry;

"Dairy Industry" or "Industry" means the secondary Dairy Industry, which includes all processors and marketers of milk or milk solids that are registered with the Dairy Board as milk purchaser, producer-distributor, butter manufacturer, process cheese manufacturer and farm cheese manufacturer in terms of the Dairy Scheme published by Proclamation R. 290 of 1978, as amended, and includes ice-cream manufacturers;

"employee" means any employee, as defined in the Act, who is employed by or who is working for an employer in the Industry;

"Fund" means the Dairy Industry Training and Development Fund referred to in clause 5;

"Registrar" means the Registrar of Manpower Training appointed in terms of the Act;

"Scheme" means the Dairy Industry Training Scheme; and

"training incentive" means any grant, subsidy, bounty or other benefit, whether financial or otherwise, paid or obtained from the Fund or granted in terms of this Scheme, to an employer for the education and training of his employees.

**4. Doelstellings van die Skema**

Die doelstellings van die Skema is—

- 4.1 om die nodige fondse te voorsien ten einde te verseker dat voldoende, opgeleide werknemers vir die Bedryf beskikbaar is en om die opleiding en ontwikkeling van werknemers op alle vlakke in die Bedryf finansieel te ondersteun sodat alle bydraende werkgewers gelyke geleenthede vir die opleiding en ontwikkeling van hul werknemers sal hê; en
- 4.2 om die administrasie en doelstellings van die Raad, soos in sy konstitusie uiteengesit, te finansier.

**5. Suiwelbedryfopleidings- en -ontwikkelingsfonds**

- 5.1 Hierby word 'n fonds gestig wat bekend sal staan as die Suiwelbedryfopleidings- en -ontwikkelingsfonds.
- 5.2 Die Fonds word geadmistreer deur die Opleidingsraad vir die Suiwelbedryf.
- 5.3 In die Fonds word inbetaal—
- 5.3.1 opleidingsheffings kragtens klousule 7 van hierdie Skema;
- 5.3.2 rente en/of kapitaalaanwas wat voortvloei uit die belegging van enige gelde van die Fonds;
- 5.3.3 enige ander gelde waarop die Fonds geregtig mag word.
- 5.4 Die gelde van die Fonds word vir die bereiking van die doelstellings van die Skema soos uiteengesit in klousule 4 aangewend.

**6. Instelling en funksies van die Opleidingsraad vir die Suiwelbedryf**

- 6.1 Die Opleidingsraad vir die Suiwelbedryf is deur werkgewers in die bedryf ingestel in ooreenstemming met 'n konstitusie wat deur die Registrateur goedgekeur is.
- 6.2 Die Raad het die bevoegdheid om met alle sake binne die bestek van die doelstellings van hierdie Skema te handel.

**7. Opgawes en bydraes tot die Fonds**

- 7.1 Vanaf die datum van inwerkingtreding van hierdie Skema moet elke werkgewer in die Bedryf—
- 7.1.1 by die Raad, te Posbus 1284, Pretoria, 0001, of sodanige ander adres as wat die Raad skriftelik en per geregi-streerde pos aan die werkgewer mag verwittig, teen die veertiende dag van die eerste maand wat volg op elk van die kwartale wat op 31 Maart, 30 Junie, 30 September en 31 Desember eindig, 'n opgawe indien waarin die getal werknemers in sy diens op die laaste dag van die betrokke kwartaal weergegee word, welke opgawe deur 'n openbare ouditeur of alternatiewelik deur sodanige persoon as wat die Raad mag goedkeur, gesertifiseer moet wees; en

**4. Objects of the Scheme**

The objects of the Scheme are—

- 4.1 to provide the necessary funds to ensure an adequate supply of trained employees for the Industry and to financially assist with the training and development of employees at all levels in the Industry in order that all contributing employers will have equal opportunities for the training and development of their employees; and
- 4.2 to finance the administration and the objects of the Board as set out in its constitution.

**5. Dairy Industry Training and Development Fund**

- 5.1 There is hereby established a fund to be known as the Dairy Industry Training and Development Fund.
- 5.2 The Fund shall be administered by the Training Board for the Dairy Industry.
- 5.3 Into the Fund shall be paid—
- 5.3.1 training levies in terms of clause 7 of this Scheme;
- 5.3.2 interest and/or capital appreciation derived from the investment of any moneys of the Fund; and
- 5.3.3 any other moneys to which the Fund may become entitled.
- 5.4 The moneys of the Fund shall be used for the attainment of the objects of the Scheme as set out in clause 4.

**6. Establishment and functions of the Dairy Industry Training Board**

- 6.1 The Training Board for the Dairy Industry has been established by employers in the Industry in accordance with a constitution approved by the Registrar.
- 6.2 The Board shall have the authority to deal with all matters falling within the scope of the objects of this Scheme.

**7. Returns and contributions to the Fund**

- 7.1 From the date of coming into operation of this Scheme every employer in the Industry—
- 7.1.1 shall submit to the Board, at P.O. Box 1284, Pretoria, 0001, or such other address as may be advised by the Board in writing and by registered post to the employer, by the fourteenth day of the first month following each of the quarters ending on 31 March, 30 June, 30 September and 31 December, a return reflecting the number of employees in his employ on the last day of the relevant quarter, which return shall be certified by a public auditor or such like person as the Board may approve; and

7.1.2 aan die Fonds, per gekruisde tjek, 'n heffing betaal van R12,75 (twaalf rand vyf en sewentig sent) BTW ingesluit, vir elke werknemer wat in die opgawe in klousule 7.1.1 bedoel, ingesluit is, welke tjek die genoemde opgawe moet vergesel.

7.2 Die koste verbonde aan die insameling van laat heffings of bydraes word verhaal op en betaal deur die betrokke werkgewer.

### 8. Inligting

8.1 Die Raad moet elke werkgewer in die Bedryf voorsien van besonderhede rakende die Skema in sodanige vorm as wat die Raad van tyd tot tyd bepaal: Met dien verstande dat sodanige besonderhede minstens die konstitusies van die Skema en die Raad, die heffings wat aan die Fonds betaal moet word of die bydraes wat aan die Fonds gemaak moet word, die opleidings-aansporings wat ingevolge die Skema verskaf word en die prosedure wat vir die instelling van eise teen die Fonds gevolg moet word, moet insluit, sowel as sodanige ander besonderhede as wat nodig geag word.

8.2 Die Raad moet binne drie maande na afloop van elke finansiële jaar aan die Direkteur-generaal: Mannekrag en aan elke party tot die Raad 'n afskrif van die verslag van sy werksaamhede gedurende daardie finansiële jaar tesame met afskrifte van die geouditeerde finansiële state van die Fonds verskaf en moet die verslag en state beskikbaar hou vir insae deur enige bydraende werkgewer.

### 9. Finansies

9.1 Alle gelde wat ontvang word, moet inbetaal word in 'n bankrekening geopen in die naam van die Fonds.

9.2 Betalings namens die Fonds geskied by wyse van tjek of debietorder, geteken deur sodanige persone as wat van tyd tot tyd deur die Raad daartoe gemagtig word.

9.3 Fondse wat nie vir onmiddellike gebruik benodig word nie, moet na die oordeel van die Raad belê word in—

- (a) binnelandse geregistreerde effekte soos bedoel in artikel 21 van Skatkwet, 1975 (Wet No. 66 van 1975);
- (b) Nasionale Spaarsertifikate;
- (c) Posspaarbankrekenings of -sertifikate;
- (d) spaarrekeninge, permanente aandele of vaste deposito's by bouverenigings of banke,

of op sodanige ander wyse as wat die Registrateur mag goedkeur.

9.4 Die Raad moet jaarliks 'n openbare ouditeur aanstel, wat uit die Fonds betaal moet word, om die state van die Fonds te ouditeer vir die tydperk wat op 31 Desember eindig.

### 10. Ontbinding van die Fonds

10.1 In die geval van die beëindiging van die Skema om watter rede ook al, moet die bates van die Fonds aan die Raad oorgedra word, wat in ooreenstemming met sy konstitusie en na oorleg met alle bydraende partye, daarvoor moet beskik.

7.1.2 shall pay to the Fund, by crossed cheque, a levy of R12,75 (twelve rand seventy five cents) VAT included, for each employee included in the return referred to in clause 7.1.1 which cheque shall accompany the said return.

7.2 The costs incurred in collecting late levies or contributions shall be charged to and paid by the employer concerned.

### 8. Information

8.1 The Board shall furnish every employer in the industry with details concerning the Scheme in such form as the Board may from time to time determine: Provided that such details shall include at least the constitutions of the Scheme and the Board, the contributions to be made or the levies payable to the Fund, the training incentives provided under the Scheme and the procedure to be followed for the lodging of claims against the Fund, as well as such other details as may be deemed necessary.

8.2 The Board shall, within three months after the close of each financial year, furnish the Director-General: Manpower and every party to the Board with a copy of the report on its activities during that financial year, together with copies of the audited financial statements of the Fund and shall keep the report and statements open for inspection by any contributing employer.

### 9. Finance

9.1 All moneys received shall be deposited into a banking account opened in the name of the Fund.

9.2 Payments on behalf of the Fund shall be by cheque or debit order signed by such persons as may from time to time be authorised thereto by the Board.

9.3 Funds which are not required for immediate use shall at the discretion of the Board be invested in—

- (a) internal registered stock as contemplated in section 21 of the Exchequer Act, 1975 (Act No. 66 of 1975);
- (b) National Savings Certificates;
- (c) Post Office savings accounts or certificates;
- (d) savings accounts, permanent shares or fixed deposits in building societies or banks.

or in such other manner as may be approved by the Registrar.

9.4 The board shall annually appoint a public auditor, who shall be paid of the Fund to audit the accounts of the Fund for the period ending on 31 December.

### 10. Dissolution of the Fund

10.1 Upon the termination of the Scheme, for any reason whatsoever, the assets of the Fund shall be transferred to the Board for disposal in accordance with its constitution, after consultation with all contributing parties.

- 10.2 Alle administratiewe koste en skulde van die Skema word dan teen die Raad in berekening gebring.
- 10.3 Die Registrateur moet vroegtydig van die beëindiging van die Skema in kennis gestel word.

### 11. Agente

- 11.1 Die Raad kan agente aanstel om uitvoering aan die doelstellings van die Skema te gee, op sodanige voorwaardes en onderhewig aan sodanige beheer as wat die Raad goeddink.
- 11.2 'n Agent het die mag om enige instelling te betree en die werkgewer of enige werknemer te ondervra ten einde vas te stel of die bepalings van klousule 7 nagekom word al dan nie.
- 11.3 Die aanstelling van 'n agent kan te eniger tyd en om watter rede ook al deur die Raad teruggetrek word.

### 12. Vrywaring

Die lede van die Opleidingsraad is nie aanspreeklik nie vir enige verlies vir die Fonds wat voortspruit uit enige onbehoorlike belegging gemaak te goeder trou of deur enige optrede in hul *bona fide*-administrasie van die Fonds, of deur die nalatigheid of bedrog van enige persoon in diens van die Raad, of as gevolg van 'n handeling of versuim deur lede, of as gevolg van enige ander saak, uitgesluit individuele opsetlike of bedrieglike optrede van die kant van sodanige lede wat aanspreeklik gehou kan word.

Enige sodanige lid moet deur die Fonds vergoed word vir enige aanspreeklikheid opgelooop deur hom in die verdediging van enige vervolging, hetsy siviël of strafregtelik, voortspruitend uit 'n bewering waarby kwade trou betrokke is en waarin regspraak in sy guns gelewer word of waarvan hy vrygespreek word.

### 13. Vrystellings

Enige aansoek om vrystelling van enige bepaling van hierdie Skema, wat kragtens artikel 47 van die Wet deur die Minister verleen kan word, moet by die Opleidingsraad vir die Suiwelbedryf, Posbus 1284, Pretoria, 0001, ingedien word, wat sodanige aansoek tesame met enige aanbeveling deur die Raad moet deurstuur na die Direkteur-generaal: Mannekrag.

No. R. 2507

4 September 1992

WET OP ARBEIDSVERHOUDINGE, 1956

SIVIELE INGENIEURSNYWERHEID: WYSIGING VAN ORDER

Ek, Leon Wessels, Minister van Mannekrag, wysig hierby, kragtens artikel 51A (4) (a) (ii) van die Wet op Arbeidsverhoudinge, 1956, die Order vir die Siviele Ingenieursnywerheid, gepubliseer by Goewermentskenningsgewing R. 2462 van 19 November 1982, soos gewysig by Goewermentskenningsgewings R. 1258 van 17 Junie 1983, R. 583 van 30 Maart 1984, R. 1870 van 24 Augustus 1984, R. 403 van 22 Februarie 1985, R. 1988 van 6 September 1985, R. 381 van 28 Februarie 1986, R. 445 van 6 Maart 1987, R. 1837 van 28 Augustus 1987, R. 369 van 4 Maart 1988, R. 1784 van 2 September 1988, R. 555 van 31 Maart 1989, R. 1863 van 1 September 1989, R. 2069 van 31 Augustus 1990, R. 2121 van 30 Augustus 1991, en R. 326 van 31 Januarie 1992, ooreenkomstig die Bylae hiervan en bepaal 7 September 1992 as die datum waarop genoemde wysiging bindend word.

L. WESSELS,

Minister van Mannekrag.

10.2 All administrative charges and liabilities of the Scheme shall then be charged against the Board.

10.3 The Registrar shall be notified of the termination of the Scheme in good time.

### 11. Agents

11.1 The Board may appoint agents to give effect to the objects of the Scheme under such conditions and subject to such control as the Board deems fit.

11.2 An agent shall be empowered to enter any establishment and to question the employer or any employee for the purpose of ascertaining whether or not the provisions of clause 7 are being observed.

11.3 The appointment of an agent may be revoked by the Board at any time and for any reason.

### 12. Indemnity

The members of the Training Board shall not be liable for any loss to the Fund arising from any improper investment made in good faith, or by any act in their *bona fide* administration of the Fund, or by the negligence or fraud of any person employed by the Board, or by reason of any act or omission by members or by reason of any other matter save individual wilful or fraudulent wrongdoing on the part of such members as can be held responsible.

Any such member shall be reimbursed by the Fund for any liability incurred by him in defending any proceedings, whether civil or criminal, arising out of an allegation involving bad faith in which judgement is given in his favour or in which he is acquitted.

### 13. Exemptions

Any application for exemption from any provision of this Scheme, which may be granted by the Minister in terms of section 47 of the Act, shall be submitted to the Training Board for the Dairy Industry, P.O. Box 1284, Pretoria, 0001, which shall forward such application together with any recommendation by the Board to the Director-General: Manpower.

No. R. 2507

4 September 1992

LABOUR RELATIONS ACT, 1956

CIVIL ENGINEERING INDUSTRY: AMENDMENT OF ORDER

I, Leon Wessels, Minister of Manpower, hereby in terms of section 51A (4) (a) (ii) of the Labour Relations Act, 1956, amend the Order for the Civil Engineering Industry, published under Government Notice R. 2462 of 19 November 1982, as amended by Government Notices R. 1258 of 17 June 1983, R. 583 of 30 March 1984, R. 1870 of 24 August 1984, R. 403 of 22 February 1985, R. 1988 of 6 September 1985, R. 381 of 28 February 1986, R. 445 of 6 March 1987, R. 1837 of 28 August 1987, R. 369 of 4 March 1988, R. 1784 of 2 September 1988, R. 555 of 31 March 1989, R. 1863 of 1 September 1989, R. 2069 of 31 August 1990, R. 2121 of 30 August 1991 and R. 326 of 31 January 1992, in accordance with the Schedule hereto and fix 7 September 1992 as the date from which the said amendment shall be binding.

L. WESSELS,

Minister of Manpower.

# Dairy industry alarm over the crate escape

③ DAIRY + MILK

## Committee tells of R4,5 m loss

**LENORE OLIVER**  
Staff Reporter

THE dairy industry has lost about R4,5 million worth of crates — between 500 000 and 600 000 of them — in the past year, says the Western Cape Dairy Distributors' crate committee spokesman Mr Pieter Henning.

The committee, consisting of Homestead, Bonnita, Dairy Belle and Joyce dairies, is trying to curb the loss of crates, which sometimes forces factories to a standstill.

"This results in a lack of production and affects milk prices negatively," Mr Henning said.

He said it cost the industry between R12 and R16 to replace a lost crate.

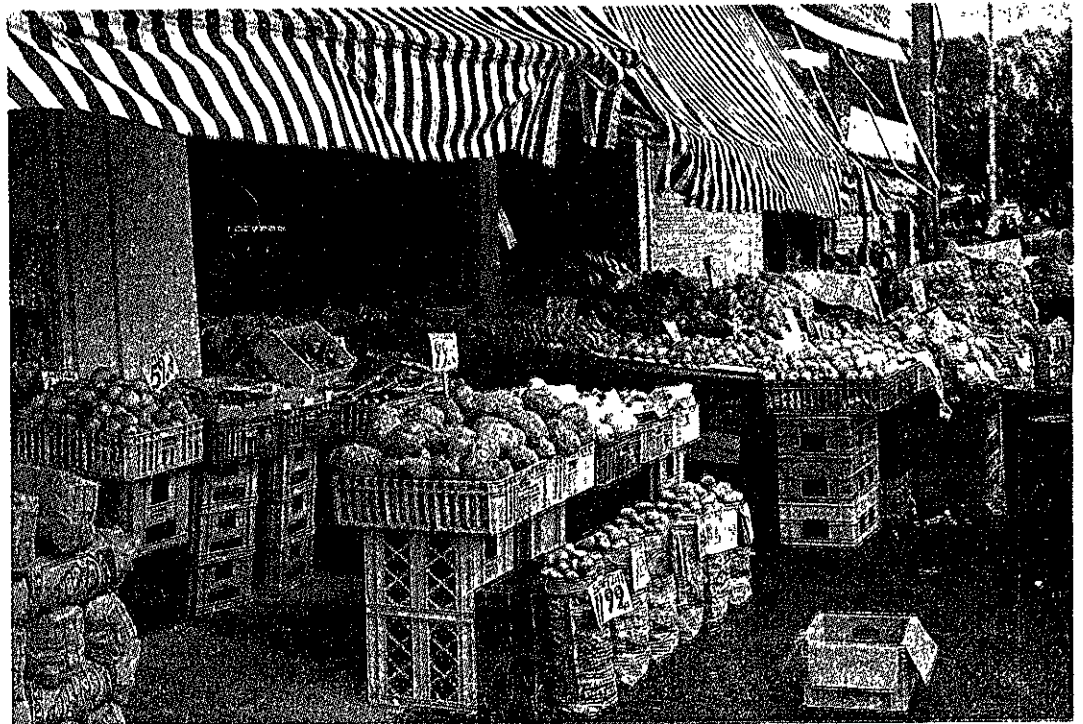
The committee has offered a R500 reward for anyone reporting the illegal use of milk crates if the offender is found guilty in a court.

"Consumers are expected to return crates as soon as possible and a notice on the invoice and on the crate itself reminds them to do so," he said.

"If the situation does not improve, we will have to consider using a deposit system."

He said shop owners were using the crates as packing space or counters.

"We are appealing to the public to help us in this respect as we do not want to make this a legal matter," Mr Henning said.



Picture: ROY WIGLEY, The Argus.

**CRATE COUNTER:** A café near Parow station displays its fruit on crates.

# Dairy Board to appeal in levies case

3 Dairy + Milk

LINDA ENSOR

CAPE TOWN — The Dairy Board was yesterday granted leave to appeal against a Supreme Court judgment which declared null and void the levies it imposed on milk distributors. *81 DAY 15/9/92*

Judge A van Niekerk of the Cape Supreme Court said there was a reasonable prospect that another court might come to a different conclusion from the one he reached in the case against the board, the Minister of Agriculture and the National Marketing Council brought by Homestead Independent Dairy.

Van Niekerk said the amount involved was huge. It was beyond doubt that his judgment would have far-reaching effects on the dairy industry and the public.

In his judgment, Van Niekerk criticised Dairy Board GM Edu Roux for

a letter he wrote to the Justice Minister after the conclusion of argument on May 5 but before judgment was given on June 5.

The letter — referred to the Registrar of the Cape Supreme Court — complained about long delays in the case and expressed dissatisfaction with the legal system.

The case brought by Homestead Independent Dairy began in February 1991 and final argument was heard on May 5 1992. Roux said in the letter that "irrelevant" witnesses were brought to court which extended the length of the hearing. A lot of time was wasted in other ways as well, all of which incurred further legal costs for the board.

In his letter Roux said it was unlikely that judgment would be given before the end of 1992 and that it would take a further 18 months for the appeal judgment to be handed down, leading to the case only being finalised in mid-1994.

Roux said the long delays had caused "chaos" in the dairy industry as those who were not paying levies were in an advantageous position as they could reduce prices by the amount of the levies.

Van Niekerk said Roux's criticisms about the long delays were "totally unjustified". He said the registrar had replied to Roux's letter saying everything possible had been done to accommodate both parties to the action and dates were set for the hearing earlier than would have been the case in the normal run of events.



## Levies: Dairy Board has leave to appeal

Supreme Court Reporter

③ MILK DAIRY

THE Supreme Court has granted the Dairy Board leave to appeal against a judgment in which levies paid to it by dairy farmers were declared unlawful.

The judgment, given in June by Mr Justice Van Niekerk, was the culmination of a lengthy trial following the institution of an action against the Minister of Agriculture, the Dairy Board and the National Marketing Council by Independent Food Processors, trading as Homestead Independent Dairies.

He declared a system of levies imposed on dairy produce distributors null and void and said there was a lack of bona fides on the part of the board.

Yesterday Mr Justice Van Niekerk said the amount of money involved could be up to R400 million.

He granted the Dairy Board leave to appeal against his findings that the levy system be declared null and void and that the Dairy Board was liable for costs. AKG 16/9/92

# Milk industry may go private

8:10 AM 16/9/92  
Milk + Dairy  
THE Dairy Board faced disbandment by the end of the financial year and the milk industry could be completely privatised if producers rejected the board's latest proposal for a new milk price stabilisation scheme, National Marketing Council member Peter Comraie said yesterday.

Dairy Board GM Edu Roux said that under the proposed new scheme compulsory levies would be charged to producers, instead of to milk buyers and distributors as under the current scheme.

Many distributors felt that under the current system they were footing the bill for the industry without drawing any benefits. The new scheme was intended to make those who benefited most directly pay the levies, Roux said.

CHARLIE PRETZLIK

The 'Milk Producers' Organisation, which represents most producers, would meet on September 22 to discuss the new proposals. Industry and Dairy Board sources did not expect it to back the plan.

Before the fate of the proposals could be decided, they also had to be presented to the Department of Agriculture and to the Marketing Council, which operated under the auspices of the department.

Comraie believed the most likely outcome was that "a private company, independent of the ministry, would be established to dispose of surpluses while generic marketing would probably still be in the

□ To Page 2

## Milk industry <sup>8:10 AM 16/9/92</sup> From Page 1

hands of the Dairy Board's agent, the Dairy Services Organisation, which would be funded by voluntary levies".

National Milk Distributors Association chairman Frik Grobler, however, warned at the weekend that if only one company were created this would lead to cartels and price-fixing because shares in the company would be allocated in proportion to the amount of milk bought.

"This would leave the three manufacturers which control more than 50% of the

market — NCD, Bonnita and Dairybelle — with a working majority," he said.

"They could increase their prices together and signal the end of any say for smaller distributors and producers."

Grobler called for two or three companies to be set up in order to guarantee competition and a free market.

Roux welcomed such a development "if this is what everyone wants", but expressed doubts about whether it could provide the same service as the Dairy Board.

## Large fall in butter production expected

Blom 18/9/92  
CHARLIE PRETZLIK

BUTTER production is set to slip 41.5% next year, the Dairy Board's annual report shows.

③ milk farm  
Dairy Board GM Edu Roux said the drop would be a result of a 6% decrease in milk production for the year ended February 29 caused by the drought, and a growing consumer preference for margarine.

Consumption of cheddar and gouda fell 6.9% while consumption of "exotic" cheeses such as Brie, Feta and Appenzel rose 26.4%. Roux said it was possible consumption of cheddar and gouda decreased because of interest in new cheeses on the market and changing consumer tastes.

The fresh milk market registered a 2.2% increase in consumption, especially in yoghurt, flavoured milk and maas. "It could have been better," Roux said.

Total demand for milk products fell 0.6%. Roux said this was "not a matter of concern" as it was not part of a trend. It had been brought about by the general economic situation, unrest and mass action, which had affected distribution of milk products.

# Dairy Board said to be in the red

STAR 24/9/92.

③ Milk + Dairy

Pretoria Correspondent

The Dairy Board is effectively bankrupt. It had to obtain special permission from the Government last month to pay salaries from its reserve fund, according to a highly placed source.

The source said the board had attempted to raise a bank loan but was denied for having insufficient assets.

And unless the board can create a new scheme — into which producers can be encouraged to pay levies and so generate income in the near future — it might be forced to disband before the end of the year, according to National Marketing Council (NMC) member Peter Conradie.

The NMC was set up under the Marketing Act to oversee the statutory boards.

The Dairy Board also faces the possibility of having to pay several million rands to milk producers as a result of a judgment against it in favour of In-

dependent Foods (also known as Homestead Dairies). However, the board has been given leave to appeal.

Ever since the Cape Supreme Court ruled that levy payments for the surplus-removal scheme were declared null and void, the Dairy Board's income has been reduced to a trickle.

Asked to comment, Dairy Board finance manager Johan Theron admitted that the board was "in a tight spot" but denied that it was bankrupt.

He said a new scheme would come into effect soon, and that the board's levy income would resume.

The board's only ready cash was a reserve fund, most of which would be required to repay producers if the board lost its appeal.

Mr Theron would not divulge any further details, saying the Dairy Board was the Dairy Services Organisation's client, and that clients' affairs had to be conducted with circumspection.

NMC chairman Andrew Wium, who has said he was in favour of ending the statutory

control of the dairy industry, said the board "definitely has problems".

However, Mr Wium said, it was not appropriate to examine the Dairy Board as if it were a private enterprise. The board was a statutory body and, if its liabilities outweighed its assets, this might be only a temporary situation.

He could not say whether the board's liabilities outweighed its assets this month.

He added that if the board ran out of funds, "measures would be taken to alleviate the situation".

He confirmed it would take at least three months for a new milk scheme to come into effect, and for the appeal case to go through. The Dairy Board had only so much in reserve to keep it going in the interim.

Asked what would happen if the Milk Producers' Organisation, and the industry as a whole, rejected the Dairy Board's proposed milk scheme, Mr Conradie said the board might be forced to disband before the end of the year.

STAR 25/9/92

# Board denies salary problem

The Dairy Board dismissed reports yesterday that it had to obtain Government permission to use money from its reserve fund to pay salaries last month.

"The Dairy Board has not got one single person in its employ, said a board spokesman. "If there were employees, then they would be paid out of the general fund."

He stressed that the reserve fund was used to stabilise the dairy industry, primarily by fin-

ancing the export of surplus milk as skim milk and butter.

The spokesman did admit the board was in financial difficulty, following a ruling in the Cape Town Supreme Court that levy payments for the surplus-removal scheme were null and void.

"The board is struggling, that's no secret. It doesn't receive the levies it should."

However, the board would

soon finalise a new scheme to bring in revenue, he said.

"The problem the board has been experiencing is the way in which the scheme was applied to bring stability to the industry ... the new scheme will address this area."

He said the board received levies from milk buyers and it was examining the possibility of being paid at another point in the chain. — Sapa.

# New milk scheme tackles surplus removal

8107-3 9110197. (3) milk + (5) surplus  
THE proposed new milk scheme, which would relieve the Dairy Board of the responsibility of surplus disposal, was being kept tightly under wraps yesterday.

However, sources confirmed that Agriculture Minister Kraai van Niekerk had passed on details of the new scheme to the National Marketing Board for approval.

While declining to release details of the scheme, a Dairy Board spokesman said it would free the board of responsibility for surplus removal.

"In the future, the producers and buyers will have to deal with the issue of surplus," the spokesman said.

Buyers could impose production

MEREDITH JENSEN

quotas on farmers, outlining specific production amounts.

Alternatively, farmers could choose to turn surplus milk into butter or milk powder products, and retailers could lower prices to dispose of excess supply, the source said.

The board's responsibilities would continue to include industry stabilisation, co-ordination of imports if a shortage were to occur, quality control and the generic marketing of milk products.

Dairy farmers would still be obliged to pay levies to the board.

A spokesman for the SA Agricul-

tural Union (SAAU), parent organisation of the Milk Producers Organisation (MPO), said a majority of producers would be happy to see surplus removal taken out of the hands of the Dairy Board. "The producers would have liked to see stabilisation efforts removed from the scheme as well," he said.

The source added that at a recent SAAU meeting, producers had called for statutory controls in the dairy industry to be eliminated altogether.

An MPO spokesman said the organisation would like to see Dairy Board functions decentralised, leaving authority in the hands of the MPO and the Milk Buyers Organisation.

## Maize exported at loss of R97,7m

Political Staff

CAPE TOWN — The Maize Board exported mielies and maize products at a loss of R97,7m in 1990/1. *R10M 13/10/92*

Net trading loss on the purchase and sale of eggs, either locally or by export, that were surplus to local market demand was R11,3m at the end of June last year.

The Dairy Board, on other hand, lost R479 043 in exports of butter and cheese between March 1989 and February 1990.

The losses by the controversial marketing control boards were disclosed in Parliament yesterday, when reports into their accounts by Auditor-General Peter Wronsley were tabled. *3 Milk/Dairy*

The loss on the exports of maize and maize products by the Maize Board between May 1990 and April 1991 amounted to R97 709 306 as against R206 223 412 in the previous year. *Losses*

The trading loss on eggs that were surplus to local market demand amounted to R11 331 026 on June 30 1991, against R9 937 779 the previous year.

The losses on exports of butter amounted to R315 989 while those on cheese totalled R163 054.

## Layoffs at Dairy Board

B/Daily 28/10/12  
GERALD REILLY

PRETORIA — The staff of the Dairy Board and the Dairy Services Organisation had been slashed almost in half to 45, Dairy Board GM Edu Roux said yesterday. <sup>3 Dairy Milk</sup>

He said certain board functions had become redundant because of deregulation. This, in turn, had affected the Dairy Services Organisation's activities.

The organisation would now mainly handle product promotion.

Another board source said staff cuts and the closure of the board's agency offices in Bloemfontein, Maritzburg, Durban and Johannesburg would mean a saving of several million rands a year.

Meanwhile, the board has received no levy payments since June — the effect of a Supreme Court finding favouring commercial dairies which claimed they were not deriving any benefits from the levies.



**Milk imports probed**

THE sale of illegally imported skimmed milk by profiteers is being investigated by the Dairy Services Organisation (DSO) on behalf of the Dairy Board.

The DSO said in Pretoria yesterday subsidised foreign products were being imported in competition against unsubsidised local products. "It appears the importers are not passing on any savings and are profiteering at the expense of the consumer and the dairy industry." (3) <sup>1/2</sup>

The imports threatened the local dairy industry and the jobs of its 66 000 employees, it said.

12/11/67 10/11/67

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Vol. 329

PRETORIA, 30 NOVEMBER 1992

No. 14451

## GOVERNMENT NOTICE

### DEPARTMENT OF AGRICULTURE

No. R. 3274

30 November 1992

MARKETING ACT, 1968  
(ACT No. 59 OF 1968)

#### DAIRY SCHEME: LEVY AND SPECIAL LEVY

I, André Isak van Niekerk, Minister of Agriculture, hereby make known in terms of section 79 of the Marketing Act, 1968 (Act No. 59 of 1968), that—

- (a) the Dairy Board referred to in section 6 of the Dairy Scheme published by Proclamation No. R. 290 of 1978, as amended, has under sections 21 and 22 of the said Scheme imposed the levy and special levy set out in the Schedule hereto;
- (b) the said levy and special levy have been approved by me and shall come into operation on 1 December 1992; and
- (c) Government Notice No. R. 641 of 28 February 1992 is repealed with effect from the said date of commencement.

**A. I. VAN NIEKERK,**  
Minister of Agriculture.

③ Dairy + Milk.

#### SCHEDULE

##### Definitions

1. Any word or expression in this Schedule to which a meaning has been assigned in the Scheme shall have that meaning, and—

“the Scheme” means the Dairy Scheme published by Proclamation No. R. 290 of 1978, as amended; and

“month” means the period stretching from any day of any of the 12 calendar months of a year till the day before the corresponding day, both days inclusive, of the following calendar month.

78679—A

## GOEWERMENSKENNISGEWING

### DEPARTEMENT VAN LANDBOU

No. R. 3274

30 November 1992

BEMARKINGSWET, 1968  
(WET No. 59 VAN 1968)

#### SUIWELSKEMA: HEFFING EN SPESIALE HEFFING

Ek, André Isak van Niekerk, Minister van Landbou, maak hierby ingevolge artikel 79 van die Bemarkingswet, 1968 (Wet No. 59 van 1968), bekend dat—

- (a) die Suiwelraad bedoel in artikel 6 van die Suiwelskema gepubliseer by Proklamasie No. R. 290 van 1978, soos gewysig, kragtens artikels 21 en 22 van genoemde Skema die heffing en spesiale heffing in die Bylae hierby uiteengesit, opgelê het;
- (b) genoemde heffing en spesiale heffing deur my goedgekeur is en op 1 Desember 1992 in werking tree; en
- (c) Goewermentskennisgewing No. R. 641 van 28 Februarie 1992 met ingang van genoemde datum van inwerkingtreding herroep word.

**A. I. VAN NIEKERK,**  
Minister van Landbou.

#### BYLAE

##### Woordomskrywing

1. In hierdie Bylae het enige woord of uitdrukking waaraan 'n betekenis in die Skema geheg is, daardie betekenis, en beteken—

“die Skema” die Suiwelskema gepubliseer by Proklamasie No. R. 290 van 1978, soos gewysig; en

“maand” die tydperk wat strek vanaf enige dag van enigeen van die 12 kalendermaande van 'n jaar tot die dag voor die ooreenstemmende dag, albei dae ingesluit, van die daaropvolgende kalendermaand.

14451—1

③ Dairy + melk

**TABLE/TABEL**

**LEVY AND SPECIAL LEVY ON DAIRY PRODUCTS  
HEFFING EN SPESIALE HEFFING OP SUIWELPRODUKTE**

Kind and class of dairy product Soort en klas suiwelprodukt	Levy Heffing#	Special levy Spesiale heffing#
1	2	3
Milk (excluding milk referred to in Clause 5)/Melk (uitgesluit melk in Klousule 5 bedoel)		
(a) In respect of butterfat content/Ten opsigte van bottervetinhoud .....	4,269 c/kg	2,318 c/kg* 1,830 c/kg**
(b) In respect of protein content/Ten opsigte van proteïeninhoud .....	6,404 c/kg	3,477 c/kg* 2,745 c/kg**
(c) In respect of which the Board has authorised that payment be made on the basis of the volume thereof/Ten opsigte waarvan die Raad magtiging verleen het dat betaling op die grondslag van die volume daarvan geskied	0,385 c/l	0,209 c/l* 0,165 c/l**

# VAT included/BTW ingesluit.

\* If produced in Natal/Indien in Natal geproduseer.

\*\* If produced outside Natal/Indien buite Natal geproduseer.

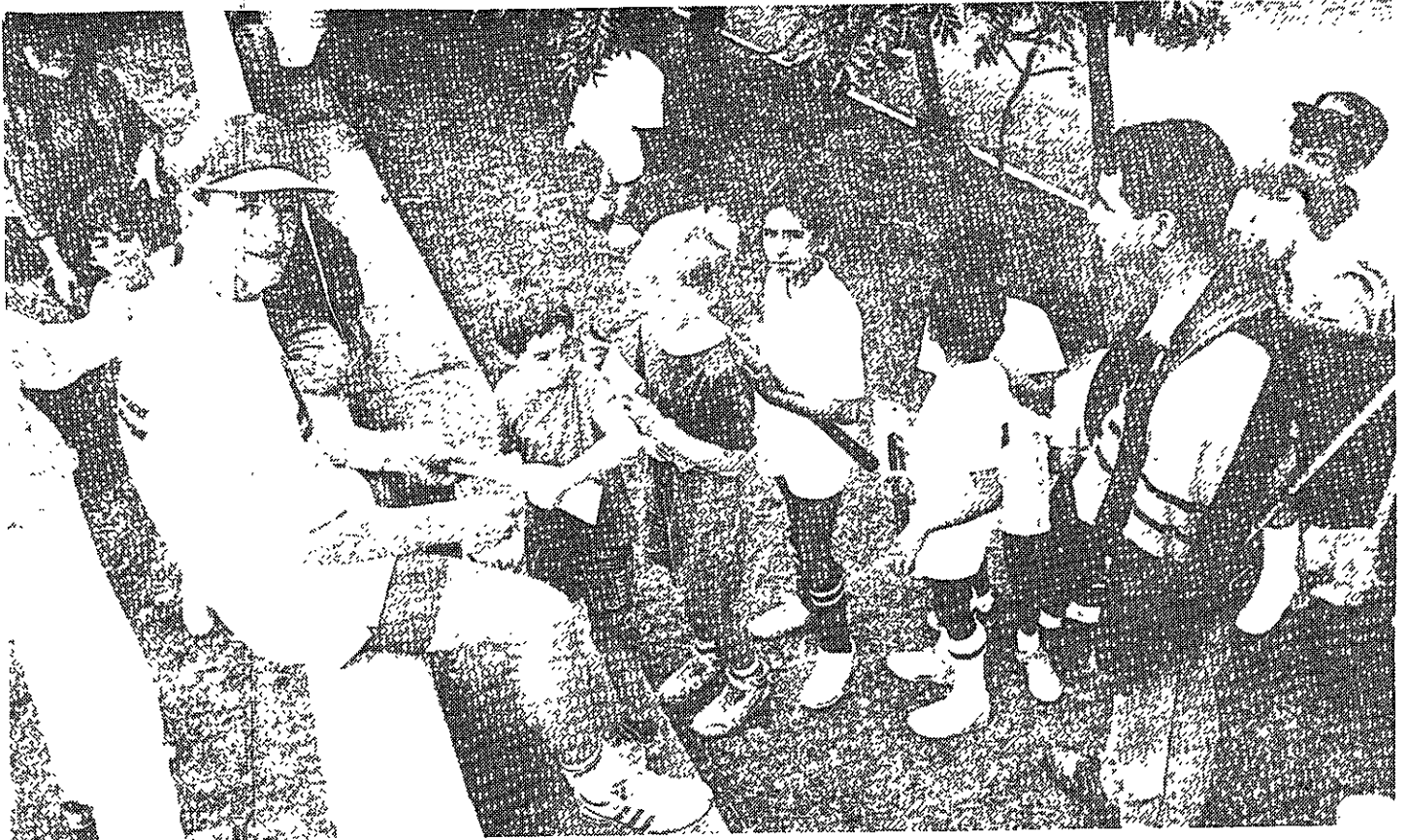
**Save a drop — and save a million**

Water conservation is very important to the community and industry to ensure their survival. So save water!



**Spaar 'n druppel — en vul die dam**

Indien almal van ons besparingsbewus optree, besnoei ons nie slegs uitgawes nie maar wen ook ten opsigte van ons kosbare water- en elektrisiteitsvoorraad



Picture: LEON MÜLLER, The Argus

**PIED PIPER:** South African cricket sensation Jonty Rhodes just can't stop attracting the adulation of the younger generation. Yesterday's training session at Plumstead was no exception as city children flocked to meet their hero.

## Milk tin ruling hits children's homes

③ MILK AUG 7/12/92

**ANDREA WEISS**  
Health Reporter

TINS of baby formula may have to be dumped or given to the SPCA because of a government ruling which has stopped manufacturers from giving the milk to children's homes.

The Department of National Health and Population Development ruling is in line with the World Health Organisation's plan to promote breast-feeding, asking governments to stop manufacturers giving away free milk.

The rationale is that babies in areas where there is poor sanitation are at high risk when they are bottle-fed and free samples encourage mothers to go that route.

But the ruling has resulted in the clamp-down also being applied to baby formula in damaged tins, which Nestlé and other manufacturers were giving to children's homes.

An employee of a home in Khayelitsha said the babies there were all in foster care and did not have access to their natural mothers, which

meant they could not be breast-fed.

Consequently, the government was buying milk for the homes and Nestlé was thinking of dumping the milk or giving it to the SPCA.

Mr Nic Partington of Nestlé said he had asked for a meeting with the department to discuss the problem as they were loathe to dump the milk, even though it was not a huge amount.

He hoped he and the other manufacturers would be able

to persuade the department that a number of institutions and organisations should benefit from the donation.

A department spokesman said the policy relating to free baby formula had been revised to allow the department to give away free milk in situations which made it impossible for mothers to breast-feed, but this milk would still be bought with government money.

The question of the milk in damaged tins was "a very difficult one" which would be discussed in January, she said.

# Dairy Board lowers milk levy

MILK  
DAIRY  
2741292

Staff Reporter

THE Dairy Board has lowered its milk levy from 2,6c a litre to 0,5c in the hope that distributors will pay up—even though the board's levy system was declared invalid by the Cape Town Supreme Court.

Mr E. Roux, general manager of the Dairy Service Organisation, which acts as the board's agent, said yesterday: "Hardly anyone has paid the levy since the court ruling."

The reduced-levy system is only

an interim measure until we develop a new system in the new year."

He said it was done in the hope that manufacturers and distributors would pay something rather than nothing.

The court found in July that the levy was used to subsidise dairy product manufacturers and threatened the existence of every independent dairy.

Homestead Independent Dairies, who brought the action against the

board, yesterday condemned the board's new scheme.

Homestead managing director Mr. John Jacobs said: "We've had about 10 new schemes banded about this year. The board is desperately trying to maintain the status quo. They no longer have any credibility. No one is going to pay the reduced levy after the court ruling."

Dairybelle regional general manager Mr. Barry Hildebrand agreed that the board had lost its credibility

and said he could not see any reason to pay the levy.

Several of the main dairy product manufacturers who benefited from the board's initial levy system are cautious about revealing whether they will pay the reduced levy.

Cape Dairy Co-op marketing general manager Mr. Marius Krizinger said they would pay the levy if everyone paid up as the board still had a vital role to play in stabilising fluctuations in the milk price.

# Govt acts on dairy controls

cr 12/12/92 ③ MILK + DAIRY

PRETORIA. — Steps to stop the Dairy Board fixing the prices of dairy products were published in yesterday's Government Gazette.

A notice in the gazette gave people with an interest in the dairy industry four weeks to lodge any objections or representations with the Department of Agriculture.

The notice said the proposed changes had been approved after consultation with the National Marketing Council.

Another notice in the gazette said the official rate of interest as used for calculating income tax was to be reduced from 17% to 15% with effect from January 1 next year.

The rate of interest was used in calculating the fringe benefit enjoyed by a person with an interest-free or low-interest loan from his employer. — Sapa