MEAT.

1992

ABACOR FM 11/12/92 (3) meat.

Giving privatisation a bad name

The temporarily aborted privatisation of the State-owned Abattoir Corp (Abacor) is a case study of how not to go about selling off State assets.

From the start, the dice were loaded against the on-again, off-again privatisation; any effort to sell off a nonviable State conglomerate as a single unit into a non-competitive market could clearly not succeed.

Blue Ribbon Meat MD Gareth Ackerman sees several factors that will prevent Abacor from ever being competitive.

"Most of the big three (Vleissentraal, Kanhym and Imperial Cold Storage) run their own abattoirs at below capacity. Freeing the market means that they will use more of their own and less of Abacor's capacity. And, being a pure service (slaughtering) organisation, substantial capital outlays are needed to provide proper distribution and sourcing facilities."

Abacor would also have to refocus its business to meet market needs. "While total assets may be worth hundreds of millions and the State is trying to flog it off for a mere R60m-R70m, I doubt whether a privatised Abacor would be a proposition in a properly deregulated market," he says. "Maybe it should just remain as is and be subsidised by taxpayers to save existing jobs."

The concept of a State-owned chain of abattoirs, heavily regulated to protect it against a competitive market, was a non-starter from the beginning.

The Meat Board and Abacor have tried their best to create the perception that the market is being freed under a proposed, deregulated meat scheme, accompanied by a privatised Abacor prepared to take on all comers. While removing the distinction between controlled urban markets and non-controlled rural markets was a good idea, this has been accompanied by a barrage of strict hygienic regulations, continuing Abacor's protection against competitors.

So, with no real deregulation — and a large number of affected parties pointing this out to government — the November 25 privatisation date came and went. But not before an over-eager Abacor staff went ahead with an expensive ad campaign — backed by the State's Privatisation Unit.

The advertising "awareness" campaign, which included TV and radio spots and print media ads in August and September, was finally cancelled by Agriculture Minister Kraai van Niekerk, but neither the Minister, Abacor, the Privatisation Unit or Marius du Plooy, Abacor's Pretoria PR man who put together the campaign, will say how much was spent on the campaign.

Privatisation Unit chairman Pieter van Huyssteen says total costs of the aborted campaign will be revealed once the new meat deregulation scheme is implemented and the awareness campaign can be followed up by a sales campaign.

"The eventual costs of the promotional campaign will be influenced by the success achieved to date in creating an awareness of Abacor, as well as an action programme that may have to follow at a later stage in order to help the marketing campaign for (the sale of privatised Abacor) shares to succeed."

But, says McCann Erickson ad agency chairman Tim Bester, government has lessons to learn in launching expensive ad campaigns. "Theoretically at least, it should place such campaigns out to tender by the ad industry. Government has a list of approved ad agencies and should consult these firms for advice and contract work in future." Government did not do this in Abacor's case.

Abacor, the Meat Board, the Department of Agriculture and the Privatisation Unit are now mulling over the large number of objections to the proposed meat scheme.

"Some of the hygienic requirements underlying the proposed new meat scheme do seem a bit over-engineered," says Dirk Jacobs, CEO of Foodcorp, which controls Kanhym. "While we would consider buying shares in any economically feasible investment, we would first need to study the Abacor prospectus."

But SA's biggest meat co-operative, the R2,5bn-a-year Vleissentraal, is not worried about such issues. Vleissentraal operates a number of its own abattoirs and is also involved in processing and wholesaling, while its Sam's butcheries are in a number of supermarkets.

Chairman Hans Besselaar says the co-operative giant will consider taking up part of the 45% of shares in a privatised Abacor to be allocated to producers. And it would also qualify for part of the 30% to be allocated to the trade. "The interests of the co-operative red meat farmer and Abacor's abattoirs, which slaughter about half of all animals in controlled markets, are so closely interwoven that Vleissentraal, strategically speaking, must get involved with Abacor as a privatised company."

But these sentiments worry those who feel the system is not free.

"Privatising Abacor into a skewed market would only help vested interests," says Sunnyside Group deregulation lobby convener Gwynne Main. "Government is alienating people from the principle of market freedom by its wrong-headed approach."

ICS' Renown Meat MD Roy Smither is equally blunt. "I believe government should not even consider privatising Abacor before 1994 at the earliest — and only after properly freeing the red-meat trade." ■

FM 11/12/92

GENERIC DRUGS

Siding with consumers

Consumers hit by the high cost of drugs got a break from the courts recently. The Appellate Division ruled against a pharmaceutical manufacturer trying to block software that makes it easier for pharmacists to sell generic — and usually cheaper — equivalents of prescribed drugs.

The saga began when the UK-based Beecham pharmaceutical group discovered that Superscripts, a software program that helps pharmacists in dispensing medicines, showed that the seven Beecham drugs listed were in most cases more expensive than their generic equivalents. Beecham tried to stop Superscripts' sales effort by claiming that the software firm was infringing its trademarks by listing its branded drugs for the purpose of price comparisons.

The court's rejection of the application was unanimous. Chief Justice Michael Corbett described Beecham's argument as leading to results that would border on the absurd. In the landmark decision for trademark law, the judge suggested that to include the information about Beecham's products in an index of this sort was not the same thing at all as trading in those products and did not infringe the trademarks.

Says David Boyce, chairman of Medikredit and Superscripts, which are both wholly owned subsidiaries of the Pharmaceutical Society of SA or its branches: "The decision is a resounding victory for consumers. Had Beecham succeeded with its application, pharmacists, doctors or in fact anyone,

to Cont →

opment. notified him in writing that they are whizz kid Julian Askin's Tollgate Hold- the appropriate demands," says Mr Murray.

Meat Board skids on bananas

S|Times (Buss) 10/1/93.

The Banana Board is no more. But don't be fooled into believing that the meat market has been freed. Comment by CIARAN RYAN

THIS week's alleged deregulation of the meat industry should not be taken at face value.

The coupling of a genuine deregulation — that of the banana market — to what many farmers and consumers consider a sham deregulation — that of the Meat Board — created the deception that government is freeing both markets.

Why Agriculture Minister Kraai van Niekerk chose to make the announcement just a week before the Kassier report makes recommendations on the future of the control boards is a curious tactical move.

Professor Eckard Kassier, a respected advocate of free markets, releases his report on Tuesday.

Why did the minister not wait for the release of this report before making his decision on the alleged deregulation of the meat industry known?

The most vocal lobby for a free meat market, the Organisation of Livestock Producers (OLP), says the moves announced this week could be illegal because farmers were not consulted.

The new scheme appears little different to the proposed "reform" of the meat marketing scheme announced last year, a proposal which attracted a record number of objections and which was in itself a remodelled scheme to ensure that nothing really changed.

The alleged deregulation is not a deregulation in that most of the 1 000 laws and regulations which govern the meat industry remain in force. Abattoirs may opt out of the floor price scheme but farmers are still required to pay Meat Board levies.

OLP says any farmer who defaults on these payments risks having his farm invaded by inspectors and his livestock confiscated. And that, says OLP chairman Nills Dittmer is fascism, not deregulation.

No one expects the new scheme to result in lower prices. For that reason alone the motives behind it must be questioned.

Battle lines have been drawn. OLP plans a campaign of civil disobedience, selling meat direct from the farmer to consumers at up to 45% below official prices, a move which it hopes will force the Meat Board to disband.

(3) Meat

Already up to 500 carcasses a day are being shipped into the PWV area, by-passing the Meat Board marketing scheme.

A "Farm to Family" factory will open in Randburg early this year and several more will open over the next two years. Meat prices increased 40% in 1991 and between 20% and 30% last year, suggesting OLP's scheme should get solid support from consumers who are tired of being led by the nose.

The Meat Board is responsible for regulating the meat industry and setting floor price levels which are supposed to protect farmers against sudden drops in price.

But critics say there is compelling evidence to suggest that far from protecting farmers, the floor price scheme protects the three giant food producers — Kanhym, ICS and Vleissentraal.

These three, who control the Meat Board, have consistently attempted to shift blame for runaway food prices to retailers and others on the food chain. Food inflation is the result of complex factors, but Professor Kassier's report on the control boards is doubtless awaited with trepidation in certain quarters.

Hard on the heels of the minister's announcement was Abakor's assertion that one of the last stumbling blocks to its privatisation has now been removed.

Last year it attempted to rush onto the JSE ahead of deregulation, a move which was strongly resisted by the government's Privatisation Unit and the Competition Board as it was a pretence at privatisation while keeping all the old controls in place.

Here's an easy solution. Allow the Meat Board scheme and a genuine free market to co-exist.

The system which delivers protein at the best prices will flourish. That should please most South Africans, even if it does not make the Meat Board and Abakor happy.

FM ?

CHOICE HOLDINGS FM 3/1/92

Significant losses

(3) Meat

The "rescue" of this DCM company out of the wreckage of Mighty Meat hardly seems much improvement, though chairman/MD Johnny Limberopoulos takes "great pleasure" in submitting his report of a R1,5m net loss — bringing accumulated losses in two years under the new regime to R3,1m and taking the equity deficit to R1,5m.

Limberopoulos says trading conditions were "difficult" and "significant infrastruc-

Activities: *Processes and distributes meat products and other foodstuffs.*
Control: *Directors 55%.*
Executive chairman: *I Limberopoulos.*
Capital structure: *10,1m ords. Market capitalisation: R3,0m.*
Share market: *Price: 30c; 12-month high, 30c; low, 15c. Trading volume last quarter, 2 800 shares.*

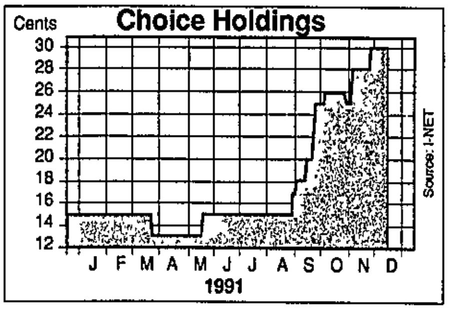
Year to February	'90	'91
ST debt (Rm)	1,80	1,89
LT debt (Rm)	1,62	2,76
Debt:equity ratio	27,6	n/a
Shareholders' interest	0,01	—*
Turnover (% increase)	n/a	34
Pre-int profit (Rm)	(1,3)	(0,8)
Net worth (c)	0,7	—*

* Negative after deducting goodwill.

ture costs" were associated with the growth programme. Management decided to maintain sales volumes in real terms, which "proved effective despite the concomitant fall in margins." "Significant funding" was allocated to new operating and administrative systems, and this was "the significant contributor" to the latest loss.

In fact, the operating loss narrowed from R1,3m to R755 000; it was higher finance costs and the new minority interest that pushed down overall results.

At least the company managed to publish its annual report almost three months earlier than the previous year. And while Limberopoulos says the 50% interest in a chain of butcheries in Bophuthatswana "made little contribution," the R197 000 minority interest suggests that this is a rewarding venture,



as it was bought mid-year for only R372 000.

The recent interim report could presage better times. On a 57% increase in turnover, it revealed net income of R308 000 (1990: R847 000 loss), after R189 000 attributable to minorities (nil). This indicates that both own operations and the Bophuthatswana investment are doing well.

The directors say the return to profitability results from rationalisation and the benefit of the new systems. Finance costs remain high but they expect all operations to continue trading "well" in the second half.

With year-end assessed losses of R3,3m, tax won't be a problem for some time. And, fortunately, of total long-term debt of R2,76m, R2,03m is interest-free.

First-half EPS of 3,05c, if repeated, would give a forward p:e of only five. Recent strength in the share price, which is at the 12-month high (still well below the effective

3/1/92 (3) Meat

45c Limberopoulos paid for control, however), suggests the market shares the company's optimism. But given the horrendous gearing and negative NAV (both excluding goodwill), which may delay any declaration of dividends, the stock remains highly speculative.

Michael Coulson

FM 3/1/92 (3) meat.

ABAKOR

Ready for market?

Privatisation of Abattoir Corp (Abakor) seems to be back on the front burner. MD Frans van der Vyver describes it as an "efficient service organisation ready for privatisation."

But the best indication is a recent government report on "deregulating" the meat industry that calls for extending to rural areas many of the rules that restrict the processing and sale of meat in urban areas.

This would level the playing field for Abakor, which owns the 10 main urban abattoirs, and boost its price in a privatisation deal.

True deregulation, as demanded by the Organisation of Livestock Producers (OLP), and other members of the industry, would give the edge to the small and privately run rural abattoirs that are much closer to the meat supplies.

Ackerman

Large and overcapitalised urban abattoirs would no longer be viable if laws requiring meat sold in urban areas to be slaughtered in an urban abattoir were abolished.

Abakor's abattoirs, now valued by Van der Vyver at R546m, would quickly become white elephants.

The report suggests that many charges levied at urban abattoirs should also be levied at rural abattoirs (*Business & Technology* December 6).

And it suggests that health codes, rules governing floor prices and the sale of surplus stock, and other regulations should be extended to rural abattoirs.

Recommended changes

Government claims that it is a necessary part of deregulation to eliminate the distinction between controlled urban areas and uncontrolled rural areas, but bringing all abattoirs under the same umbrella would greatly increase the restrictions on the meat industry, and the costs to consumers, critics say.

"Privatisation should not be allowed to deter deregulation of the industry," says Nils Dittmer, chairman of the OLP.

But Deputy Director-General of Agriculture Chris Blignaut says the recommended changes are necessary for Abakor's privatisation.

Meat Board' GM production and operations Pieter Kempen says the playing field should be levelled. "A privatised Abakor should be allowed to compete freely in the total market."

He says the deregulatory changes should be finalised by mid-year.

Advocates of true deregulation are also disturbed by signs that government would sell Abakor's abattoirs as a group, rather than individually, adding to their fear that government will use privatisation to maintain Abakor's dominant position rather than promote competition.

"Abakor would best be sold as a single unit, to obtain maximum value," says Vleissentraal senior GM Jan Lombard. "This will also enable a privatised Abakor to compete successfully. Depending on the prospectus, Vleissentraal may make a business decision to take up shares."

"No," Dittmer responds. "Abakor's 10 abattoirs should be sold as separate, competing units to the highest bidder — and on condition that they will receive no further government protection." Another OLP member, Terence Conroy, warns that Abakor may be sold off as "a protected conglomerate monopoly," leading to increased control.

Blue Ribbon Meat national GM Gareth Ackerman says Abakor should be commercialised before it is privatised. Transnet, Telkom and the Post Office are undergoing this process — learning to compete and operate like a business in a slightly deregulated environment.

And, he says, in privatising the company, the State should write off Abakor's debt and not try to recoup its investment.

In other words, the benefit of getting Abakor working efficiently in the private sector offsets any money lost from a lower sales price. ■

ICS FM 3/1/92 (3) meat

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.

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.

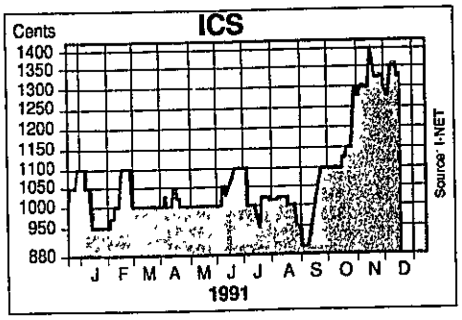
The managed operations all had a difficult year because of surpluses in all three business areas: meat, dairy and poultry. Festive Chicken made a loss and the industrial dairying operations barely broke even.

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*

FM 10/1/92 (3) Meat

RED MEAT

Wagging the dog

The Meat Board admits in its annual report that it controls producer funds and assets worth more than R340m. In the financial year to June the board boosted its coffers by more than R68m in levies from producers. So, while consumers face ever-rising meat prices, the powerful red-meat lobby grows stronger.


Ackerman

Since 1986 the board has done little in response to a Cabinet instruction to proceed with meat deregulation, apart from allowing the sale of pork at any market — provided it is slaughtered at approved abattoirs — and abolishing the compulsory registration of meat traders.

The problem is that many farmers are wary of competing in a deregulated market. So they are prepared to operate within the strictly regulated confines of the meat scheme: the Abattoir Corp, Red Meat Producers' Organisation and Vleissentraal co-operative. The board and government now seem to be stalling yet again on deregulating the "controlled" urban markets.

A company like Meatlands, of Colesberg in the Cape, an abattoir and meat packer owned by local farmers, which slaughters up to 1 000 sheep daily, is one of the victims of the distorted distribution system.

Meatlands chairman Goebbels Ferreira says: "We cannot market our product where the demand exists. For example, in Cape Town (Maitland abattoir) and Durban (Cato Ridge), where shortages exist, we cannot sell freely. We transport about 5 000 carcasses each week past the Bloemfontein market (only 220 km from Colesberg) but are not allowed to sell any produce there. This is a ridiculous situation."

In Pretoria, Meatlands has two depots which are allowed to sell frozen mutton and lamb cuts and carcasses, packed in Colesberg, directly to consumers, thereby bypassing the normal costly chain which passes through the urban abattoirs.

"Our frozen cuts retail for up to R5/kg cheaper than the rest of the trade. This has proved to be so successful that we have just completed a new R2m cutting and processing plant. We believe this is one of the main methods of the future for marketing meat," says Ferreira. Apart from savings in selling pre-cut and packed meat, the transport of fresh and frozen boxed meat is also at least 25% cheaper than that of livestock on the hoof, he adds.

Transporting live animals is demanded by the Meat Board in implementing its scheme in controlled urban markets.

"It is obvious that this can lead to a lot of stress, harm and even injury to animals along with weight and quality losses," says Organisation of Livestock Producers chairman Nils Dittmer.

Ferreira feels that, as with boxed meat, it should not be necessary to sell fresh (or frozen) carcasses via meat agents "who add their 4% commission to our prices."

Deputy Director-General Agriculture Chris Blignaut says a statutory board is envisaged to monitor operations of meat and livestock agents who are excluded from control of the Agricultural Produce Agency Sales Act. The new board, to be created in terms of the Agriculture Produce Agents' Bill, will incorporate the role of the meat agencies.

Blue Ribbon Meat national GM Gareth Ackerman says, with frozen European boxed beef available at R4,50/kg (compared with SA's R7,80/kg), government should allow freer imports of this cheaper meat — especially if shortages occur.

Meat Board GM Pieter Kempen says the board is not against imports as long as meat is not dumped on the SA market.

Imports were controlled by the Meat Board but permits are now issued by the Department of Trade & Industry. ■

'Restrictions killing red meat industry'

STAR 5/2/92

(3) Meat

By Paula Fray
Consumer Reporter

Legal restrictions in the red meat industry limit producer's operations on a free market basis as well as consumer choice, a recent investigation has shown.

As a result the consumption of red meat has declined and the viability of red meat producers is threatened.

The report was compiled by the Sunnyside Group — a national alliance of about 150 000 small enterprise owners — along with the Organisation of Livestock Producers which lobbies for less intervention in the meat trade.

Repeal

The group proposal contains recommendations on the repeal of statutory limitations that are counter to market-driven principles.

It also proposes an amendment to the existing red meat scheme to allow participants in the industry to elect to opt in, or out, of the scheme.

The report comes as the meat industry is under scrutiny by the Competition Board.

Last year, the cost of meat increased by 38,8 percent according to CPI figures at Central Statistical Services. The latest Vatwatch survey also reported a sharp rise in meat prices since VAT was introduced.

"Whereas minced meat, boerewors and stewing beef used to increase in price by slightly more than one percent in the months before VAT, the monthly price increase of these types of meat now averages 9,1 percent — or nearly 30 percent in total since the introduction of VAT," said Vatwatch.

According to the Sunnyside report, the industry is controlled by the Meat Scheme (a legalised monopoly), regulations of the Marketing Act and numerous agricultural laws.

The major legislative restrictions concern:

- The distinction between controlled and uncontrolled areas.
- The compulsory auctioning of carcasses according to grade and mass in controlled areas.
- The compulsory use of agency services in controlled areas.
- Supply control via permits and quotas.

Prices

- The setting of floor prices and a floor price removal scheme.
- Trade licensing and registration.
- Controls on the sales of hides, skins and offal.
- Health and hygiene regulations.
- Compulsory levies payable by producers.
- Restrictions on the creation of abattoirs.

The report said the restrictions serve as barriers to entry to competitive entrants to the market and there is no free competition.

Meat price set for steep hike

(004) (3) MEAT
CT 6/12/92

Staff Reporter

THE drought could push the price of meat up by an estimated 15% to 24% this year, a Meat Board spokesman warned yesterday.

The head of the board's management information systems, Mr Jurie Snyman, said if it did not rain within the next two weeks there would be "drastic consequences for the meat industry and carcasses would have to be bought in".

But if it rained the price increases would be much lower, he said.

Mr Snyman confirmed figures given earlier this week by the chairman of the Meat Board, Dr S J J van Rensburg, who said beef could rise by 16,5%, mutton by 15,8% and pork by 24%.

On Monday the Meat Board announced price increases of 3,3% for beef, 2,8% for mutton and 13,3% for pork.

Meanwhile, the Red Meat Producers' Organisation of the South African Agricultural Union also warned that producers could face serious problems unless rain fell soon all over the country.

A spokeswoman for the Housewives' League, Mrs Sheila Baillie, said the organisation would investigate the matter as they feel the Meat Board should not predict price increases when "they don't know what the conditions are going to be".

Pupils kept in as Natal boils

Own Correspondent

DURBAN. — As Natal sweltered in the second successive day of a heat wave yesterday, schools, factories and animal care centres took precautions against the boiling temperatures.

Principals at various schools kept pupils indoors, even during breaks.

At 3pm the humiture figure, also known as the discomfort level, had reached 106.

Warnings were issued to the public to drink plenty of liquid and not to take part in any strenuous activity.

SOWN 13/2/92

Abattoir Corp to be privatised

Meat (3)

Finance Staff

The Cabinet has given the go-ahead for the privatisation of the Abattoir Corporation (Abacor). Enabling legislation is being urgently drafted.

Abacor manages 11 abattoirs nationwide, with all shares held by the state.

Share issues could be finalised as early as June 30 if legal provisions are approved by Parliament by April 30.

Dr Kraai van Niekerk, the Minister of Agricultural Development, says the decision is in line with the deregulation of the red meat industry.

The Red Meat Producers' Organisation of the Agricultural Union has welcomed the move.

People 'won't buy meat if prices soar'

(3) - MEAT

Staff Reporter

CONSUMERS will stop buying meat if the Meat Board increases prices by between 15% and 24%, says the Consumer Council. The council reacted strongly to Wednesday's announcement by the chairman of the Meat Board, Dr S J J van Rensburg, that the price of beef could rise by 16,5%, mutton by 15,8% and pork by 24%.

CT 7/2/92

In a statement yesterday the Consumer Council's executive director, Mr Jan Cronjé, warned that consumers would buy less meat if prices increased in spite of the expected surplus caused by drought.

He said consumers expected to benefit from surpluses and would turn to alternative products if meat prices "continued to soar".

Mr Cronjé said consumers were "strapped for cash" as a result of the economic recession and would resist price hikes that were "not in line with the principle of supply and demand".

S (pm) 7/2/92 (3) meat

NEWS IN BRIEF

Meat price warning

CONSUMER Council director Jan Cronje said consumers would cut back on meat purchases if prices rose in spite of an expected meat surplus because of drought.

He was reacting to reports that the industry expected prices to rise by between 15% and 24%.

If producers and marketers of red meat had the survival of their industry at heart, they should keep consumers' depleted buying power in mind, Cronje said.

RED MEAT INDUSTRY

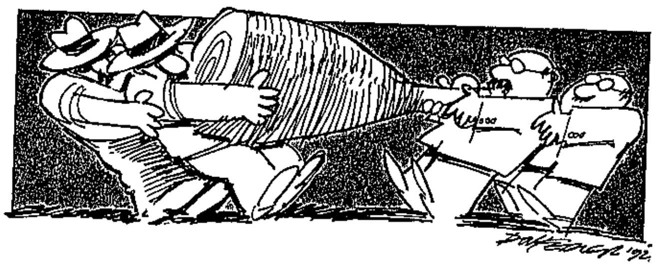
③ Meat FM 14/2/92

Reforming in name only?

Is the proposed privatisation of the giant Abattoir Corp (Abacor) the prelude to the long-awaited deregulation of the heavily regulated red meat industry? Maybe — but accusations are being made that government's proposal is a smoke screen to mask a continuation of the status quo.

Agriculture Minister Kraai van Niekerk this week announced that Cabinet accepted the principle of selling off Abacor, owner of eight slaughterhouses in the urban (controlled) markets.

Public Enterprises & Privatisation adviser Eugene van Rensburg says a steering committee will now investigate statutory amendments, shareholding, valuation of assets and the structure of a privatised Abacor. "We aim to finalise privatisation by June 30."



Abacor owns eight abattoirs but operates 11 — those at Benoni, Springs and Witbank are leased from their owners. With the depreciated book value of the eight abattoirs now standing at about R175m, government can clearly not take too big a loss if it merely sells them off separately to the highest bidders.

But the State — or the powerful Meat Board — apparently wants to sell Abacor as a conglomerate — thus making it a private monopoly. By privatising before deregulating government would be able to protect farmers who buy Abacor shares.

"The SA Agricultural Union-affiliated Red Meat Producers' Organisation suggested that government should sell off about 45% of Abacor to farmers, about 30% to the trade, 20% to the general public and 5% to employees," says Organisation of Livestock Producers chairman Nils Dittmer. "But, if farmers hold a major share, government could find itself bound to protect farmers' interests by ensuring the profitability of Abacor. That would be possible only by retaining major elements of the existing control system."

Dittmer adds that government's move to privatise Abacor before deregulating the industry is therefore a smoke screen to hide its true intention of continuing the overregulated meat scheme administered by the Meat Board. "Our organisation feels that Abacor abattoirs should be sold off individually to the highest bidders in an open auction on condition that these abattoirs then compete in a deregulated, free market without State protection."

Abacor abattoirs now play a central role in the meat scheme because farmers must obtain permits from the board to slaughter their cattle at Abacor's controlled-market abattoirs.

With market access regulated and limited, meat prices in urban markets are kept artificially high as the inflow of meat from so-called uncontrolled areas to urban markets is not permitted — except to owners of certain abattoirs belonging to the Big Three — Kanhym, Vleissentraal and Imperial Cold Storage. The board has suggested the abolition of the distinction between controlled and uncontrolled markets subject to conditions that would restrain rural abattoirs from freely competing with Abacor's urban abattoirs.

This complex system therefore protects Abacor against competition from outside abattoirs and ensures its cash flow and profitability; last year it made R19m on a R106m income. This would not be possible if its protection were stripped away.

Imperial Cold Storage MD, fresh meat, Roy Smithers agrees that deregulation should precede Abacor's privatisation. "Without a proper idea of the effect that deregulation would have on Abacor's future cash flows, ICS, for one, would definitely not bid on its shares."

He adds that, should ICS have a choice in a deregulated meat market to slaughter meat in outside areas and save on transporting animals to Abacor abattoirs, it might take the first course.

This would mean that the economics of the meat trade would go against Abacor's abattoirs and underline the risk in bidding on Abacor's shares.

Blue Ribbon Meat MD Gareth Ackerman says government's proposal to privatise before deregulating "creates the danger that the Abacor monopoly would remain in place, with only the people who own it changing. This would clearly not be acceptable." ■

Beef surplus lowers prices

Staff Reporter

AN over-supply caused by the drought has pushed the average auction price of beef down by a substantial 11,6% in the past two weeks.

Cape Town beef prices fell by 5,8%, but a national average showed an 11,6% fall from 532,2c per kg in January to 470,7c per kg in the week ending February 14.

Prices for lamb and mutton fell after the festive season, but have remained stable since.

Their deteriorating financial position caused by the drought is pushing farmers to slaughter more animals as they cannot afford to buy feed.

(3) MEAT CT 19/2/92

Steady drop in meat prices since January

meat ③

STAR 20/2/92

Consumer Reporter

Meat prices had been dropping at city markets since the beginning of this year, according to Meat Board senior general manager Dr Pieter Coetzee.

However, he said the meat industry was, as yet, virtually unaffected by the drought as there had been good rains in most areas immediately after winter.

"Apart from the far northern Transvaal there had been normal rains after winter and the veld was able to grow," said Dr Coetzee.

But if the drought persisted and maize had to be imported, farmers would be hard hit.

"We expect the landed price of imported maize will be much higher than local prices," he said.

If this was so, farmers — especially pig farmers and those using cattle feeds — would be hard hit by higher costs.

Explaining the current drop in price, Dr Coetzee said that while normal supply and demand principles affected most industries, this was not necessarily the case in the meat market.

"At the moment we do not have an oversupply and, in fact, on one day last week we did not kill animals at City Deep. Yet, the market prices have been dropping," said Dr Coetzee.

"During the last drought from 1984 to 1986 prices remained stable," said Dr Coetzee.

"Prices increased during the second half of last year, but since January they have been gradually dropping."

As the drought persisted, farmers could begin marketing their stock, causing an oversupply on the market.

Sapa reports that a survey of major centres had shown meat prices had fallen or were likely to fall throughout the country because of the drought.

Prices had already fallen in the eastern Cape and in the northern Transvaal where many farmers were forced to slaughter breeding stock to obtain money.

In the western Cape, red meat prices remained steady.

Big stores challenged on meat claims

Staff Reporter STAR 24/4/92

Supermarkets were challenged on television today to prove to consumers that reports in the Sunday Star about huge meat price mark-ups were false.

Taking part in a panel discussion on "Good Morning South Africa" to thrash out allegations of huge price mark-ups on red meat, the Consumer Union's Lillibeth Moolman strongly backed Sunday Star economics editor Claire Gebhardt, who said the gap between the producer and consumer retail price index had widened over the past six years.

The Sunday Star's series on the meat industry has drawn countrywide reaction, specifically from consumers who have bombarded Ms Gebhardt with complaints about price fixing after revelations that the entire market was controlled by three major companies.

The Sunday Star said the market was controlled by the Meat Board, Imperial Cold Storage, Kanhym and Vleissentraal who were allegedly holding the market hostage.

It was claimed meat inflation was running at 38 percent.

Blue Ribbon representative Gareth Ackerman claimed today that retailers were making the money. Pick 'n Pay butcheries was making only 1,5 percent net profit after they had sold meat to the consumer.

He said costs included cutting, packaging and equipment.

"You only make 1,5 percent profit after a 100 percent mark-up. My heart bleeds," Mrs Moolman said.

While Ms Gebhardt claimed supermarkets controlled 80 percent of the market, Eddie Bielovich, chairman of the Association of Meat Traders, said the figure was anything from 30 to 60 percent.

The Star Tues

Red meat farmers to ask for aid

(3) Meat
STAR 25/2/92

Red meat producers are concerned that the cost of imported maize will put them under further financial strain, and the Red Meat Producers Organisation (RMPO) of the SA Agricultural Union is to request financial aid from the Government to prevent this.

"Meat farmers are very concerned about the failure of the maize crop due to the drought and that between three and four million tons of yellow maize will have to be imported at a high cost," said RMPO chairman Gerhard Bronn.

"Financial aid would prevent the prices of weaner calves and slaughter stock from declining drastically and would save meat producers from a further cycle of declining sale prices, which they can hardly afford under present circumstances.

"After local transportation costs are added, the maize price could be about R150 a ton more than the current yellow maize price. This would increase production costs and intensify the marketing of stock, lower market prices and affect the marketer of slaughter stock adversely." — Own Correspondent.

Farmers attacked for firing workers

STAR 26/2/92

By Shareen Singh

Cosatu has accused agriculture of reneging on an agreement regarding legislation for farmworkers and has expressed particular concern for those being dismissed during the drought without notice or compensation.

At a meeting between the union federation and the South African Agricultural Union, the SAAU stated it was considering separate legislation for farmworkers, rather than including them under existing labour Acts.

The organisation was prepared to support only the extension of the Unemployment Insurance Act to farmworkers but not the Wage Act, the Basic Conditions of Employment Act and the Labour Relations Act.

This approach was unacceptable, Cosatu said, saying the Government, through the Laboria Minute, had endorsed the principle of extending basic rights to all workers and that the Minister of Manpower had given an undertaking that this would be done as soon as possible.

Secondly, the National Manpower Commission (NMC) had recommended the extension of labour legislation, with appropriate amendments, to farmworkers and rejected the idea of separate legislation. The SAAU was part of all the negotiations which led to the NMC recommendations, Cosatu said.

Dismissing

"It took two years of negotiations in the NMC to reach the point we are at now. Negotiations for separate legislation could take many more years and farmworkers will continue to be ill-treated and thrown off the land at the whim of farm-owners," Cosatu said.

In this regard the federation expressed deep concern at the plight of farmworkers who were being dismissed as a result of the drought.

Without necessary legislation, farmers were dismissing employees with 15 years' service without notice or compensation, Cosatu said.

SAAU deputy director Kobus Kleynhans said he could not see how legislation, in situations of dire straits which the current drought had caused, would prevent employers from reducing their workforce.

He claimed it was a distortion that hordes of farmworkers were losing their jobs as a result of the drought.

"Many farmers had negotiated with workers to keep them on even if it meant a lower wage. The crunch will only come when farmers will not be able to employ seasonal workers during harvest, for instance," Mr Kleynhans said.

Forcing legislation on farmers would only make their difficult situation more unbearable, he added.

Butcheries cheaper, says survey

(3) meat

STAR 26/2/92.

Own Correspondent

Meat prices charged by supermarket butcheries were last year 15 percent higher than those of ordinary butcheries, an independent survey conducted on the Witwatersrand has shown.

And last month the price difference soared to 25 percent, according to the survey conducted by the Red Meat Producers Organisation of the SA Agricultural Union.

Speaking in Pretoria yesterday, RMPO manager Jan van der Walt said that although producer prices dropped by an average of 5 percent last month, meat prices in supermarket butcheries went up by 4 percent while prices in other butcheries dropped by 4 percent.

Mr van der Walt said the findings belied the image of the farmer as being "an expensive producer of meat".

The survey supports a recent Sunday Star investigation which found that supermarket butcheries added a 100 percent mark-up to wholesale meat prices.

Public may get better meat slice

(3) MEAT

ARG 26/2/92

The Argus Correspondent

PRETORIA. — A scheme to deregulate the red meat industry and transform South Africa's meat market into "one big market" for red meat producers is to be introduced by the Meat Board.

The scheme is expected to have spinoffs for the consumer who could benefit from being able to shop around for the cheapest meat.

"The scheme is aimed at deregulating the red meat market, where the distinction between the controlled and uncontrolled market will fall away and abbatoir corporations become privatised," said Dr Fanie van Rensburg, chairman of the board, during a press conference.

"The entire process of supply and price forming will be left in the hands of the industry's different role players and consequently the trade will in future be subject to free trade principles, while the Meat Board's function will consist mainly of general liaison within the industry," he said.

Dr Van Rensburg said this was beneficial to the consumer, who would now have the opportunity to shop around for the best buy without the previous restrictions placed on the controlled market by the board.

"The Meat Board could previously stipulate the number of animals to be slaughtered in controlled abattoirs, but according to the new scheme this decision will now be made by the owner of the abbatoir.

"This also means that the trade is free to find a way to supply the meat at a lower cost and can pass the savings onto the consumer," said Dr Van Resnburg.

The scheme makes provision for the board to fulfil functions such as price reporting and the provision of information to the industry, grading and classification of meat, giving advice to authorities regarding the importation of meat, generic advertising of red meat and product promotion and guaranteed minimum prices to producers.

Further functions included in the new scheme are the disposal of meat purchased by the board at minimum producer prices, production promotion and related support services to the producer such as a health scheme for pig producers and statistical services.

Dr Van Rensburg said the most important components of the new scheme had been accepted in principle by the Minister of Agriculture and other role players in the industry and the entire process should be concluded by June this year.

"As soon as the the new scheme has been finalised, it will be subjected to legal procedures prescribed by the Marketing Act, after which it will be proclaimed in the Government Gazette," he said.

Meat trade curbs lifted

By Paula Fray (3) meat
and Own Correspondent

STAR 26/2/92

A new meat scheme which will deregulate the industry and transform South Africa's meat market into "one big market" will be introduced in the near future, the Meat Board announced yesterday.

Agriculture Minister Kraai van Niekerk announced as early as last November that he had accepted a modified meat scheme which involved the "freer movement of meat".

This, in practice, entailed the disappearance of controlled and uncontrolled areas, and the privatisation of the SA Abbattoir Corporation.

Yesterday's statement followed a two-week investigation by the Sunday Star into the fixing of prices within the meat market.

In terms of the new scheme, the Meat Board's functions will mainly be scaled down to general liaison within the industry.

The scheme is expected to come into effect by the end of the Meat Board's current financial year.

"The new scheme is aimed at deregulating the red meat market, where the distinction between the controlled and uncontrolled market will fall away and abbatoir corporations become privatised," board chairman Fanie van Rensburg said.

"The entire process of supply and price forming will be left in the hands of the industry's different role players, and consequently the trade will in future be subject to free trade principles."

B/Day 26/2/92

New meat scheme

THE Meat Board yesterday disclosed a new meat scheme to come into effect at the end of the financial year. It will lead to the deregulation of the board. The industry will be subjected to the free market system. 3 Meat

Blueprint to lift inner city

B/Day 28/2/92

ADRIAN HADLAND

A WIDE range of measures aimed at reinvigorating Johannesburg's CBD were recommended by the Human Sciences Research Council this week following the release of its substantive survey into inner city areas.

The results of the survey, which was based on 1 400 questionnaires taken from 14 inner city regions, are likely to guide the Johannesburg City Council's future urban policies.

Among the recommendations are the creation of a non profit-making housing trust aimed at lending money to areas spurned by financial institutions, the establishment of a municipal police force controlled by the community and increased fines for landlords who overcharge rents and let their buildings deteriorate.

Greater powers of inspection for the council and higher fines were suggested to combat overcrowding, exorbitant rents and unfair evictions.

It was reported that residents in regions such as Hillbrow, Joubert Park, the CBD, Doornfontein and Berea were having great difficulty securing mortgages and loans from lending institutions. The report recommended a first-time buyer's housing subsidy as well as the possible provision of loan collateral to encourage "the return of normal financial institutions to the area".

Further recommendations included the provision of shelters for homeless adults, street children and abused women and the provision of legitimacy and support to organisations catering to the needs of gay people and street children.

All council directorates concerned with housing and urbanisation would be using the results of the survey to set short, medium and long-term priorities, the council's urban strategies division said in a statement this week.

Meat industry plan 'ineffective'

B1 Day 28/2/92

(3) meat

KATHRYN STRACHAN

THE Meat Board's announcement this week that it plans to deregulate the red meat industry has drawn sharp reaction from the Organisation of Livestock Producers (OLP).

Speaking at a news conference yesterday OLP chairman Nils Dittmer said the board's announcement was a smokescreen as it did not address the cause of the meat industry's main problem.

The concern was the heavily controlled meat scheme, he said, which controlled the flow of meat to the market and resulted in a lower income for producers, raised consumer prices and reduced consumption.

The board announced on Tuesday that a new meat scheme would soon be introduced — which meant in practice that the distinction between controlled and uncontrolled areas would fall away and that the SA Abattoir Corporation would be privatised.

Dittmer said producers objected to being legally forced into the meat scheme and said the cost of intervention had been great.

Farmers also opposed the board's practice of raising compulsory levies on each animal slaughtered in order to fund services which did not necessarily benefit producers or consumers. Coupled with this, the Board was not accountable to those it was meant to serve and the producers had not been able to get access to the board's audited financial statement for the past three years, he said.

Dittmer said the deregulation should be supported by farmers having the option to choose to operate within the meat scheme or to function independently according to market forces.

The OLP believed farmers should have the choice of opting out of the scheme if they wished and negotiating their own prices, but that the scheme should still be there for those who needed the comfort of the minimum price protection. The compulsory levies payable by the producers to the board would then become fees payable for services provided.

Dittmer said true deregulation meant that meat traders and butchers would be able to buy livestock directly from farmers, have the animals slaughtered at abattoirs of their choice and be able to sell their produce on consumer-based demand rather than according to centralised regulations.

Fundamental restructuring of the current meat scheme was the only way to stop consumers paying three times more for meat than what the producers received and allow farmers to negotiate their own prices according to market forces, he said. Red meat prices rose 38% during 1991.

The OLP has taken two years to research the estimated 1 000 regulations governing the industry and concluded the restrictions constrained efficient production and distribution of red meat. As a result, consumers paid far more for meat than necessary while producers' profit margins shrank, he said.

The OLP has presented its recommendations to the Meat Board and to the Department of Agriculture.

Council acts

'Meat Board remains in control'

Consumer Reporter (3) Meat STAR 28/2/92

The Meat Board's sudden announcement of a "new" meat scheme was described by the Organisation of Livestock Producers (OLP) yesterday as a smokescreen which — rather than deregulating the industry — merely re-regulated it.

The OLP yesterday announced a nationwide campaign to enable farmers to opt out of the meat scheme.

Last week, the Meat Board announced a new meat scheme which would transform South Africa's meat industry into "one big market".

However, Agriculture Minister Kraai van Niekerk announced as early as November that he had accepted a modified meat scheme which involved the "freer movement of meat".

This entailed the disappearance of controlled and uncontrolled areas as well as privatisation of the SA Abattoir Corporation.

OLP chairman Nils Dittmer said 10 of the estimated 1 000 regulations governing the R8 billion meat industry should be repealed immediately.

This deregulation should be supported by red meat producers having the option to choose to operate within the heavily controlled meat scheme or to function independently according to market forces.

Support

The OLP, an independent producer's lobby, has enlisted the support of the Sunnyside Group to campaign for a "better deal for producers and consumers by calling on the powerful Meat Board to rethink its role in having absolute control over the supply of red meat to market".

"Although the Meat Board has again said it plans to deregulate — and there is some evidence of this — it has once again used its powerful lobby with the Government and acted unilaterally without consulting producers.

"Nor is there any sign of the board including thousands of potential black farmers in its 'new meat scheme'," said Mr Dittmer.

The OLP and the Sunnyside Group have spent two years researching regulations in the red meat industry.

OLP past chairman Sandy Speedy said the new scheme "addresses the symptoms, not the cause of the problem ... the meat scheme (itself)".

MEAT BOARD

On the chopping block

FM 6/3/92

3 Meat

The call has gone out to President F W de Klerk: take five minutes out of your busy referendum campaign and address an issue dear to the hearts of all South Africans — the soaring price of red meat.

As the pressure mounted in the past week for the Meat Board to relax its invidious grip on the industry, the Sunnyside Group, a deregulation lobby, released an 80-page report on how the board forces prices up for consumers and down for producers. It asked the President to sign a proclamation that would immediately exempt the meat trade from the 1 000-odd laws and regulations that are strangling the industry.

While De Klerk hasn't responded yet to the group's request, the board appears to be feeling the heat. Last week it suggested that it will soon announce a major deregulation of the R8bn-a-year meat industry.

"The new scheme will be introduced at the beginning of our new financial year (July 1)," says board GM Pieter Coetzee. This is also the date when government plans to announce its plan to privatise the State's huge Abattoir Corp (Abacor).

But advocates of a radical overhaul of the industry have greeted these announcements with scepticism because they seem to point to more, not less, control (*Business & Technology* February 14). Meanwhile, meat prices continue to account for the lion's share of inflation. According to the Consumer Council's Ina Wilken, meat prices soared by more than 30% (year-on-year) in November, December and January, more than twice the rate of the consumer price index.

"Something is drastically wrong with the red meat industry if prices keep on soaring at this rate, even while farmers phone us and complain that they cannot sell their cattle due to the current drought-induced glut. Why does the consumer get no benefit from this situation?"

Many of the answers are found in the Sunnyside's report, which was two years in the making. The report, "The Red Meat Industry: Assessment and Recommendations," was presented to government, the ANC, the Meat Board, the Competition Board and the Red Meat Producers' Organisation. The Johannesburg-based group consists of 52 organisations, including AHI, the Mobil Foundation, First National Bank, Nafcoc, Standard Bank, the Urban Foundation, the Free Market Foundation and the Small Business Development Corp.

The Organisation of Livestock Producers (OLP), a small free-market lobby and Sunnyside member, suggests that livestock producers be allowed to opt out of the Meat Board's meat scheme, allowing them the freedom either to belong to and pay for the board structure, or to operate outside at greater risk but potentially for greater reward.

"The OLP sees the board's announcement as a smokescreen," says chairman Nils Dittmer. "Its proposed deregulation retains the floor-price system; the compulsory levies paid by producers into the board's stabilisation fund (which stood at R272m on the end of last year); the compulsory auctions at abattoirs for meat to be sold in urban markets; the compulsory use of meat agents; and the strict grading, inspection, hygienic and loading conditions at rural abattoirs that keep costs high and reduce competition."

In addition, Dittmer says, the board's grading system would continue to be based on the age of animals and not on quality factors such as the individual characteristics of the meat on offer. This, he says, is responsible for the poor quality of meat in SA stores and restaurants (see *People*).

Coetzee, however, says the board's grading system was scientifically developed. It was found that age, tenderness and taste of meat go hand-in-hand and that consumers prefer these as the primary grading criteria, he says. Coetzee was not available for further comment.

The controversy over prices in recent months has also spotlighted the cosy relationship between the board, the Big Three wholesalers that dominate the trade (Vleissentraal, Imperial Cold Storage and Kanhym), and Abacor.

While the role of the board is seen as looking after producers, it seems more preoccupied with protecting the bottom lines of wholesalers.

And it turns out that wholesalers, at the other end of the food chain, have locked the big supermarket chains into sweetheart deals guaranteeing them long-term outlets for their meat. The meat counters at Pick 'n Pay and most other supermarkets are part-owned by the Big Three because the board would not grant butcher licences to supermarkets in the Sixties and Seventies.

The result is that 50%-60% of all red meat sold (poultry and fish fall outside any board's control) is at least partially controlled by one of the Big Three. The wholesalers not only dominate supplies at wholesale level, but also at retail level.

"If we were allowed to buy our meat directly from producers, or to import meat freely, meat prices could drop quite sharply," says Blue Ribbon Meat GM Gareth Ackerman. "But with current import tariffs of R9/kg on prime beef cuts and the board not allowing us to negotiate directly with farmers, prices are kept artificially high." He adds that Blue Ribbon, in which Pick 'n Pay and Imperial Cold Storage each own half, could import prime beef cuts at R5/kg, while local wholesalers charge R10,50/kg.

Pick 'n Pay chairman Raymond Ackerman, Gareth's father, says he would love to buy Imperial Cold Storage's 50% share of Blue Ribbon.

"High prices are set off at wholesale level and by the restrictions created by the meat scheme," he says. ■

HEALTH CARE

Cutting drug prices

Health Minister Rina Venter has been accused of offering only piecemeal solutions to health-care problems. But her latest proposals to contain medicine costs in the private sector — largely by deregulating the pharmaceutical industry — have elicited a surprising degree of consensus among key players in health care.

Even her staunchest critic, the Medical Association of SA, was satisfied that the proposals taken at last week's forum "were arrived at in a responsible manner." But it has expressed serious reservations about Venter's lack of an overall action plan and the absence of some interest groups.

Likewise, the Pharmaceutical Manufacturers' Association, which before the forum suggested the conference would be nothing more than an "ad hoc fix," stayed for the discussions. FM 6/3/92

Venter's latest proposals come after her recent recommendations to deregulate the Medical Schemes Act. If implemented, they would allow schemes to provide health-care services, employing doctors, nurses and practitioners. It is believed such a move would cut health-care costs by as much as 40% and end

continued

Tax provision impacts on Kanhym's earnings

STAR 25/3/92 Meat (3)

By Magnus Heystek

A return to taxpaying status for Kanhym prevented it from turning a sound performance at operating level into an equally sound performance at attributable level.

Turnover for the group, which includes subsidiaries Enterprise, Herti, Hanni Leathers, Kanhym Estates, Karoo-Ochse, Kanhym Fresh Meat and Mielie-Kip, rose eight percent to R534,9 million in he half-year to February.

Operating income, despite tough conditions caused by the drought and declining consumer expenditure, rose 24 percent to R29,1 million. But after a finance charge of R6,11 million (R5,9 million) it stood at R23,02 million.

Executive chairman Dirk Jacobs said yesterday that with some assessed tax losses still not yet fully utilised, no tax had actually been due in the first half of the financial year.

Kanhym, however, had deemed it prudent to make provision for tax at a rate of 20 percent (R4,666 million) — the estimated average for the whole year.

This left earnings attributable to ordinary shareholders up five percent at R18,3 million, or 33,4c per share. The dividend has been left unchanged at 10c.

Targets

In the value-added division, Enterprise, Herti and Hanni Leathers all achieved or bettered their targets, as did Kanhym Estates and Karoo-Ochse in the agri-business division, says Mr Jacobs.

Kanhym Fresh Meat made a positive contribution, despite the start-up costs related to its new Durban manufacturing facility.

Mielie-Kip, however, continued to reflect the depressed state of the poultry division.

Prospects for the next six months are likely to be adversely influenced by the drought, says Mr Jacobs.

Nevertheless, he is confident that Kanhym will manage to equal last year's earnings of 60c per share.

"The drought is expected to create sales in distress of animals and will depress red meat prices, which are already at or just below floor price level.

"Broiler prices are likely to remain at their present unrealistically low levels.

"There is little prospect of a general improvement in the current low level of consumer demand.

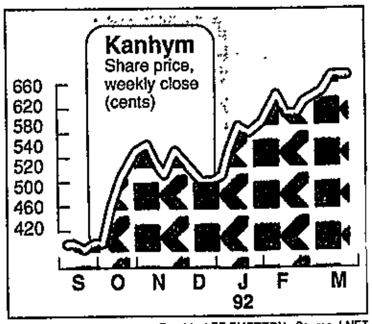
"However, given its efficient cost structure, its strong market position and the fact that the full benefit of recent investments will only start to flow through in the second half of the year, I am confident Kanhym will at least equal last year's earnings per share, notwithstanding the group becoming liable for tax this financial year," Mr Jacobs says.

Kanhym masters market and tax

(3) meat

B/Day 25/3/92

MARCIA KLEIN



Graphic LEE EMERTON Source I-NET

IN SPITE of phasing in taxation for the first time in 10 years, Kanhym has increased earnings in the six months to end-February in the face of poor market conditions.

In his 1991 annual report, executive chairman Dirk Jacobs said Kanhym's challenge was "to maintain growth without the phasing in of taxation unduly diluting earnings".

Kanhym achieved this in the six months, reporting a 5% rise in attributable earnings from R17,5m to R18,4m and a 31% rise in pre-tax earnings from R17,5m to R23,0m in what Jacobs described as its highly satisfactory performance.

He said in an interview yesterday that this was Kanhym's last reporting period before it merged with Fedfood to form Malbak's listed food division. After publication of Fedfood's second set of interim results in April, Kanhym and Fedfood are to be merged. One listing will be dropped and the two groups will be incorporated into a renamed group.

Turnover for the six months increased by only 8% from R496,2m to R535,0m, and operating profit rose 24%, from R23,5m to R29,1m, reflecting an improvement in operating margins from 4,7% to 5,4%.

Jacobs attributed the results to strong contributions from both the value added and the agri-business divisions.

In the value added division, which increased its contribution to operating income by 25% to R15,3m, Hanni Leathers made further inroads into the export market, and Enterprise increased market share while maintaining price levels and margins.

In the agri-business division, which increased its contribution to operating income by 23% to R13,8m, Kanhym Estate did particularly well on the back of a good maize crop the previous year, and its self-sufficiency as a low-cost producer.

Mielie-Kip "continued to reflect the depressed state of the poultry industry".

Jacobs said Kanhym's results reflected "the continuing success of the company's strict cost control measures, which had contained the increase in expenditure to 6% during the review period".

A rise in gearing from 32% to 39% reflected capex of R27m on expansions and the acquisition of Hanni Bop. The benefits of these moves would be felt in the second half.

Finance charges rose marginally from R6,0m to R6,1m, bringing earnings before taxation up by 31%. Jacobs said that with some assessed losses still not fully utilised, no tax had been due for the first half. But Kanhym made a prudent R4,7m provision — reflecting a 20% tax rate, which was the estimated average for the full year.

Earnings rose by 5% to 33,4c (31,8c) a share, and the interim dividend was maintained at 10c a share. Jacobs said earnings a share would have shown a 31% rise to 42c a share excluding taxation.

Jacobs did not expect market conditions to improve over the next six months.

But he was confident the group would at least equal last year's earnings in 1992.

Rush for slaughter permits

Sowetan 26/3/92 (3) meat

FARMERS are swamping the Meat Board with applications for emergency slaughtering permits as the searing drought eats up available cattle feed in a number of farming areas, the Meat Board disclosed yesterday.

Meat prices are low at the moment with most farmers receiving the floor price for their cattle. At least two supermarkets have announced discounted meat prices for the next week.

Meat Board general manager for production Dr Pieter Kempen said consumers could buy meat at "quite reasonable" prices because of the surplus.

However, although there was a surplus of meat at present, farmers were being forced to slaughter even their breeding stock which might cause a severe shortage of meat in the long term.

This has prompted the Meat Board, in association with the Land Bank, to make available money to farmers who still had access to feed to buy in breeding stock.

This, said Kempen, was an attempt to "reduce the extent of the shortage" as well as curtail the long-term damage caused by the widespread drought.

Meat Board senior general manger Dr Pieter Coetzee said yesterday this week large numbers of breeding stock were being sent to abattoirs in controlled areas and the slaughtering of the stock would inevitably give rise to red meat shortages in future.

"The Meat Board is aware that Natal and the North-eastern Cape in particular, have experienced a good season, and that part of this breeding stock could possibly be moved to these regions," Coetzee said.

The buying scheme instituted by the board and the Land Bank was similar to that forced during the drought in the mid-eighties.

"In terms of the scheme, any producer who wishes to participate ... must obtain a letter from his local farmers' association or agricultural union, in which it is confirmed that the producer concerned has sufficient grazing and/or fodder sources to buy a specific number of breeding stock.

"This letter must be submitted together with an application form for a medium-term loan (article 34-loan) from the Land Bank."

Meanwhile, Checkers/Shoprite meat markets in the Transvaal have announced they will be offering a selection of red meat cuts and poultry at special prices — with discounts between 18 and 40percent — over the next 12 days until April 5.

The savings will be offered on lamb, beef mince, stewing beef, tenderised steak, pork roasts and pork braai chops. Savings of between 28 percent and 32 percent will also be offered on turkey wings and chicken braai packs. - *Sowetan Correspondent.*

FM 27/3/92 (3) meat **FOX**

KANHYM (3) meat
FM 27/3/92

Preparing for merger

When Malbak took over Fedfood late last year, it was clear that a merger with Kanhym would soon take place. But Malbak was waiting for a moment when minorities in both companies could get a "fair price" for their scrip — Malbak's way of saying that it thought Fedfood overpriced at around 1 750c against Kanhym's 390c.

Kanhym was then on a p:e of about 8 and Fedfood about 10, in spite of Kanhym's considerable turnaround since 1987 in trading performance and balance sheet, in contrast to Fedfood's somewhat pedestrian results. Now Fedfood has firmed to 1 850c, but Kanhym has shot up to 650c.

This is crunch year for Kanhym as it is starting to pay tax after a 10-year holiday. Executive chairman Dirk Jacobs said in the annual report that it would be the major challenge for the year. In what he promises will be Kanhym's last results in its present form, it increased pre-tax profits by 31%. That enabled it to raise EPS by 5%, despite an effective tax rate jump from zero to 20%.

Jacobs says some assessed losses had not been used; so no tax was due, but 20% tax was shown in the interim income statement as a prudent measure.

Kanhym's operating margin firmed from 4,7% to 5,4%, which partly reflects the increased role of value-added products.

Kanhym's Jacobs ... *sees pressure on meat price*

Hanni Leathers increased exports, after receiving the SABS mark, which is equal to international standards.

Enterprise raised market share without indulging in a price-cutting war and this will be supplemented by the Prime range, licensed from Bernard Matthews in the UK, once the R10m plant is completed in the second half.

Agri-business remains a strong contributor. Kanhym Estate boosted its operating income substantially, thanks to the previous year's good maize crop and self-sufficiency in feed stemming from a new mill. Red meat prices improved marginally, with a positive contribution from this source, despite absorbing the cost of the Durban manufacturing operation. The increase in unit cost of animals on the hoof benefited Karoo Ochse.

Overall, controls held cost increases to just 6%. Gearing rose from 32% to 39% due to increased capital expenditure of R27m on expansions and the acquisition of Hanni Bop.

Jacobs does not expect market conditions to improve. Consumer demand remains in the doldrums. He says the red meat price is at or just above the floor price and will be under pressure as the drought creates an oversupply of animals. Still, he expects Kanhym's EPS to equal last year's level.

TAXING TIME

Six months to	Feb 28 '91	Aug 31 '91	Feb 29 '92
Turnover (Rm)	496	491	535
Operating inc (Rm)	23	20	29
Attributable (Rm) ..	17	15	18
Earnings (c)	31,8	28,2	33,4
Dividends (c)	10	10	10

Fedfood, on the other hand, suffered a 10% dip at the first interim in September and is not likely to lift earnings in the 12 months to March.

Though Fedfood and Kanhym have not merged on the JSE boards, they already operate from one head office. Rationalising head offices alone will save R6m a year. Jacobs has disposed of poor performers in Fedfood such as Patoma and Mango Man. Some operations have been rationalised but there are few common areas other than prepared frozen foods.

Merging Kanhym and Fedfood will give the new group "critical mass." Jacobs says this does not mean all problems disappear when a group reaches a certain size. But he believes the marriage will reduce volatility and enable the group to achieve the consistent growth enjoyed by food majors such as Tiger and Premier.

He hopes it will achieve similar ratings. The major groups sit on p:e ratios of 18-20, though their ratings are boosted by pharmaceutical and trading interests.

Jacobs predicts the merger will happen in June or July and says it will not be accompanied by a rights issue. Malbak is keen to see Fedfood produce better returns from its asset base, which has increased by R200m in the past two years with a 6% marginal return. The Malbak food businesses have an increased capacity for cash flow should this come about. He also says it is not a good time for a rights issue as the paper is still too cheap.

Stephen Cranston

FM 3/4/92

METAL INDUSTRY (3) Meat

Hammer and tongs

With the metal industry in deep recession and laying off thousands, employers seem unlikely to offer anything near double-digit wage increases. This year's negotiations were due to start in earnest this week.

The 12 unions involved have tabled proposals for increases ranging from 14,4% to 42,6%. There are also 48 other demands relating to employment conditions.

The National Union of Metalworkers of SA (Numsa), Cosatu's biggest affiliate and by far the biggest union in the bargaining forum, is demanding minimum across-the-board increases of R2 an hour or 25% on actual wages, whichever is greater. It also wants a new minimum rate of R5,50 an hour (which applies to general labourers such as sweepers), or 80c above the present minimum. In percentage terms, Numsa is seeking rises of nearly 43% for the lowest grade and 19% at artisan level.

Job security, not surprisingly, is expected to be the other main issue. Last year the metal industry laid off more than 35 000 workers and 6 000 more were laid off in the first two months of this year in what looks like being a trend. The industry embraces more than 9 000 firms employing about 320 000 — a work force that represents more than a third of all the manpower engaged in all manufacturing.

Union mood

It remains to be seen how and whether the industry's growth and job-creation committee, set up jointly by Seifsa and the unions this year, will affect bargaining.

Another important unknown concerns the union mood — that is, whether it has the appetite for a strike. Last year (when there did not appear to be enough support for a strike) the parties called in independent mediators to resolve their dispute. They did not resort to industrial action — though strike and lockout ballots were conducted. The entire process took five months before the Main Agreement could be gazetted. It provided for wage and bonus increases ranging from 12% to 15,1%.

Among employer proposals formulated by Seifsa for this year's bargaining are:

☐ That the calculation of annual leave and bonus should be based on a 44-hour week or actual hours worked and not on a 45-hour week as in the current agreement;

☐ Payment for temporary employment on higher-rated work should be made on the basis of time actually worked on the higher rate; and

☐ The present two-day notice for a change in short-time working should be reduced to a single day.

Employers also propose that the question of wage differentials should be investigated and that serious consideration must be given to discontinuing a single wage structure for the industry's diverse sectors and regions. ■

Meat price gap worries watchdog

(3) Meat

STAR 30/3/92

Consumer Reporter

The Consumer Council is "disturbed" by the ever-widening gap between the producer and consumer price of red meat, the consumer watchdog said at the weekend.

According to the council it appeared, from a recent survey by the Meat Board, that meat at butcheries was considerably cheaper than at supermarkets.

It found this "ironic" since supermarkets bought larger quantities of meat and had greater negotiating powers. Their meat, said the Consumer Council, should consequently be cheaper.

"With the market currently over-supplied with meat, the benefit is not being passed on to the consumer," it added.

Meat price gap hit

The Argus Correspondent (3) MEAT

JOHANNESBURG. — The Consumer Council is disturbed by the ever-widening gap between the producer and consumer price of red meat, a council spokesman said here. ARG 30/3/92

He said it appeared from a survey by the Meat Board that meat at butcheries was cheaper than it was at supermarkets.

This was "ironic" since supermarkets bought meat in bulk and had greater negotiating powers. Their meat should consequently be cheaper.

"Consumers are justified in asking why meat prices are forever rising. They are insisting that market forces in the meat industry should also work to their benefit.

"With the market over-supplied with meat the benefit is not being passed on to the consumer.

Meat Board report details fraud, losses

(3) Meat

STAR 7/4/92

Own Correspondent

The audited 1988/89 financial statements of the Meat Board have been tabled in Parliament, revealing stock shortages, fraud at City Deep, bad debts and "failings in the system of internal control, especially with reference to stock administration and accounting between regional offices."

The board's total loss in 1988/89 for these was R5 548 259.

Peter Wronsley, the Auditor-General, said the 1988/89 statements were audited late because the board had been slow in providing information and his office had a heavy workload.

Shortage

The 1989/90 and 1990/91 audited statements of the Meat Board will be tabled soon.

The section of the auditor's report attached to the audited statements entitled "Audit Queries and Observations" says that "as no stocktaking could be carried out for practical reasons as well as the fact that the value of imported meat at June 30 1989 was only determined on a probable basis, an opinion on the value of stocks as denoted in the balance sheet could not be expressed."

The accounts put the assessed stock shortage at R1 061 013. The stock-on-hand amount of R63 386 592 consisted mainly of stocks of imported meat valued at R59 925 614 which, according to the board's records, were on hand on June 30 1989.

The Auditor-General's report said: "During the audit it came to attention that money for meat sales at the City Deep regional offices were not in all cases accounted for. The board was immediately requested to investigate the matter.

"A charge of fraud was laid against two employees of the board and after they admitted guilt in respect of an aggregate amount of R560 000, they were found guilty and sentenced."

The Auditor-General found that the gross book value of debtors amounted to R15 710 941 at June 30 1989, but was reduced in the balance sheet by R3 411 975, which was a provision for irrecoverable debts, bringing the debtors' total to R12 298 966.

"Included in the provision is an amount of R3 400 000 for amounts owing by debtors on sales of imported meat. As a result of a lack of proper documentation and of control at the City Deep regional office the amounts due could not be proven and will have to be written off. The matter is, however, still being investigated by the board," the Auditor-General's report said.

R5,5m goes astray at the Meat Board

S/Times 12/4/92

By HEATHER ROBERTSON

A FINANCIAL report on the Meat Board — released three years late — has revealed a loss of R5 548 259 due to stock shortages, fraud at a regional office, bad debts and failings in the system of internal control.

Now angry livestock farmers are demanding an investigation into the board, and pressure is mounting for the deregulation of the meat industry.

Commenting on the delay of the financial report, Mr Cornelius Lourens, spokesman for the auditor-general, said that audits for 1990 and 1991 were still outstanding because the board had been "slow in providing information", causing bottlenecks in the auditor-general's office.

Stocktaking at the board's City Deep regional office in Johannesburg pointed to a stock shortage of R1 061 045 as at June 30 1989.

(3) Meat

Jailed

During the audit it was discovered that money for meat sales at City Deep had not been accounted for in the books of the board. Cases where fraud could be proved amounted to R1 075 239.

As a result of the inquiry, charges of fraud for an amount of R560 000 were laid against two employees of the board.

Mr Pieter Coetzee, the board's managing director, said two senior accountants, Nantes Hart and Chris Cilliers, at the City Deep abattoir had been involved in stock theft and had each been jailed for eight years.

"The officials falsified documents and took cash from buyers without entering the amounts," he said.

The audit also brought to light various failures in the systems of internal control, especially over stock administration and accounting between regional offices.

Livestock producers are angry that they were not informed about the board's financial statements when they were forced to contribute levies of R75-million a year.

Need

"We each have to pay R7 500 a year to the board, but we have no say over how our money is spent," said Mr Nils Dittmer, chairman of the Organisation of Livestock Producers, which is campaigning for the deregulation of the meat industry.

He said the organisation had questioned discrepancies and delays in the board's financial statements previously, but "nothing has come of it".

The organisation will meet the Minister of Agriculture on April 21 to address these issues.

Mr Sandy Speedy, a Vryburg stock farmer, said the auditors' report showed a need for an independent investigation of the board.

"The Meat Board is shrouded in secrecy," he said.

Mr Gerhard Schutte, spokesman for the Red Meat Producers' Organisation, which represents 10 000 stock farmers on the board, said that though his organisation had had problems with the financial report, it was satisfied with the explanations.

Mrs Ina Wilkins of the Consumer Council said the council supported the deregulation of the meat industry because the board still operated "cloak and dagger".

Pick 'n Pay: Hike '7,4%'

Staff Reporter

PICK 'N PAY has disputed the findings of a Housewives League survey which claims its meat prices rose by 10,8% excluding VAT over the past year while auction prices rose by a mere 0,6%.

Mr Gareth Ackerman, general manager of the Blue Ribbon Meat Corporation which supplies Pick 'n Pay, slammed the findings of the survey as "absolute nonsense".

CT 16/4/92

He claimed that the store's meat prices increased by 7,4%, excluding VAT.

(3) MEAT

Free trade in meat expected by end of August

STAR 14/4/92 (3) Meat

Meat trading in South Africa is expected to be completely free by the end of August this year, when about 45 percent of the shares in the Abattoir Corporation may be offered to meat producers, 30 percent to the trade, 20 percent to the general public and 5 percent to the employees of the corporation.

These percentages have already been decided upon and the privatisation of the corporation would have been implemented by the end of this month, but for the delay caused by the referendum.

Earlier this year Minister of Agriculture Dr Kraai van Niekerk said the relevant legal provisions should be approved by Parliament by the end of this month and the issuing of shares completed by the end of June.

Parliament is now expected to give its approval in June. — Agricultural Correspondent.

Sandton set to approve negotiating body

BI Day 16/4/92

ADRIAN HADLAND

THE Sandton Town Council is expected to ratify the constitution of the Northern Joint Negotiating Forum at a special council meeting tonight.

The constitution will bind Sandton, Randburg, Alexandra and Marlboro Gardens into an official negotiation body.

Transvaal Provincial Administration (TPA) spokesman Piet Wilken said there were 61 local authorities in Transvaal discussing the formation of negotiating forums.

An immediate consequence of the ratification will be the TPA's contribution of 50% of the forum's running costs.

The remainder will be split between Sandton and Randburg.

Sandton considered the draft constitution in January this year, but referred it back to an investigation committee.

SA set to consume 54-million animals

BI Day 16/4/92

GERALD REILLY

PRETORIA — By the year 2000 South Africans will be eating at least 40-million sheep and 14-million head of cattle a year.

Agriculture Deputy Minister Tobie Meyer yesterday listed SA's annual milk and meat requirements in the year 2000 — and it is clear that the demands on livestock and dairy farmers are set to soar.

Meyer told a function at the Rand Show yesterday that just to provide for the country's minimum food needs in 2000 would require 4,8-billion litres of milk, 810 000 tons of beef from 14,4-million animals, 282 000 tons of mutton from 40-million sheep and 870 000 tons of poultry. (3) Meat

He did not say by how much SA's maize consumption — currently about 5-million tons a year — would increase.

Meyer warned that SA could face serious food shortages by the decade's end unless production resources were utilised fully. Resources were dwindling, but the population was soaring by 1-million a year.

Large red meat price gap 'widening'

B/Day 30/4/92

GERALD REILLY

PRETORIA — The large gap between consumer and producer prices of red meat was widening, an Agriculture Department investigation had confirmed, Agriculture Deputy Minister Tobie Meyer said yesterday.

Speaking at a Red Meat Producers' Organisation conference, he said because government regarded the issue seriously the Board of Trade and Industry had been instructed to investigate the food price gap. (3) Meat

Meyer said food prices played a major role in inflation "but it is equally clear that producer price adjustments over the past few years should have lowered, rather than raised, the inflation rate".

He said with the introduction of tariff protection it was possible to decrease imports dramatically. Beef imports from overseas had decreased from 45 000 tons in 1988 to less than 5 000 tons last year.

Interest cut on young stock hailed

(3) Meat
STAR 28/4/92

The Red Meat Producers Organisation (RPO) has welcomed an announcement by the Meat Board of reduced interest rates on loans by the Land Bank for the purchasing of young breeding stock in drought-stricken areas.

"The drought situation is deteriorating progressively and it is a matter of urgency that suitable breeding stock are removed from the disaster drought areas," the RPO said in a statement yesterday.

The buying scheme would save young breeding stock from being slaughtered and alleviate the pressure on the slaughter stock market as well as enable farmers to use such animals for future production, the RPO said.

Applicants have to comply with several provisions laid down by a planning committee.

Problems regarding the implementation of the scheme can be raised with the RPO in Pretoria at Box 1508. — Own Correspondent.

Summer crops devastated by drought

B/Day 28/4/92 (3) meat

GERALD REILLY

PRETORIA — The extent to which drought damaged this year's summer crops is illustrated by Agriculture Department figures released yesterday which show that in some areas yields were as little as a seventh of the 1990/91 season's levels.

The figures show that in the western Transvaal, where drought damage was greatest, the maize crop was down to 314 000 tons compared with 2,3-million tons last year.

Figures for other areas are: eastern Free State 132 000 tons (699 000 tons last year); northern Free State 415 000 tons (1,2-million); eastern Transvaal 868 000 tons (1,95-million): PWV 282 000 tons (755 000); northern Cape 126 000 tons (409 000); southern Free State 35 000 tons (118 000).

The department estimates the total crop at 2,433-million tons, compared with 7,8-million tons last year.

The white maize yield was 985 000 tons (3,8-million) — one of the lowest yet recorded. Domestic demand for white maize is about 3,3-million tons.

Other summer crops were also devastated — sunflower seed was reduced to 170 000 tons, compared with 589 000 tons last year; soya beans were down to 72 000 tons from 126 000 tons and grain sorghum to 95 000 tons from 240 000 tons.

Nampo GM Giel van Zyl said the figures showed the extent of the 1991/92 summer drought disaster and underlined the urgent need for "big" government aid for farmers.

Later this week Agriculture Minister Kraai van Niekerk is expected to announce additional state aid, which experts predict will not be less than R2bn. Government has already allocated R1bn.

Our correspondent reports from Port Elizabeth that a purchasing scheme whereby farmers could purchase breeding stock from drought disaster areas to save them being slaughtered, has been announced by the Meat Board.

Farmers who have the grazing to use such animals for future production purposes may apply for loans at reduced interest rates to purchase such animals.

Red Meat Producers Organisation (RPO) spokesman Jan van der Walt said yesterday this would ease the pressure on the slaughter stock market. "The drought situation is deteriorating progressively and it is a matter of great urgency that suitable breeding stock are removed from the drought disaster areas."

Meanwhile, two ships, carrying 41 000 tons of wheat and maize for SA and Zimbabwe, are scheduled to dock in Port Elizabeth today.

The bulk cargo carrier Constanza M is expected today, bringing 14 000 tons of wheat from Canada as part of a drought relief programme.

Also docking today with 27 000 tons of maize from the Argentine, destined for Zimbabwe, will be the cargo ship World Ares.

MEAT INDUSTRY FM 5/6/92

Privatisation blues

(3) Meat

The privatisation of government's Abattoir Corp (Abacor), expected this month, has been postponed until September. Insiders disagree on what exactly the hold-up is.

The Meat Board blames Cape Town for the delay. The municipality's Maitland abattoir is the only urban slaughterhouse not owned or controlled by Abacor. Abacor had planned to sell off the dozen urban abattoirs as one lot but Maitland is still not in the fold.

But Abacor privatisation committee chairman Eugene van Rensburg says the delay is needed to give Rand Merchant Bank and another bank time to evaluate the abattoirs and include results up to June 30 before publishing a prospectus.

cont →

FM 5/6/92 (3) Meat

Cape Town deputy city administrator At van der Merwe says the demands of the two unions operating at Maitland are the problem. "The unions are still against us selling off the abattoir to Abacor or to other buyers who have expressed an interest in taking over Maitland. They want to ensure that their rights are fully protected in any deal. We will meet again on June 9." ■

Hopes for cheap meat are dashed

BDay 5/6/92 (3) meat

HOPES for cheap meat have been dashed by the monopolistic meat industry.

An industry source said yesterday although farmers were slaughtering large quantities of lamb because of the drought, the highly regulated meat industry had kept lamb prices rising.

And analysts have predicted prices are expected to rise by another 14% over the next two months.

The wholesale price of lamb, which rose R1 to R7,80/kg on Tuesday, would continue to rise despite the increased supply of meat from drought-stricken wool producers, sources said.

A top government official, who did not wish to be identified, blamed the high costs on controlled areas set by the Meat Board and what he termed the "Big Three" wholesalers — Kanhym, Imperial Cold Storage (ICS) and Sam's Foods — which, he said, were using the meat scheme, as designated by the Meat Board, to restrict competition.

In Machadadorp, which is not a controlled area, high quality loin of lamb sells directly to the public for R12,30/kg compared to Johannesburg supermarket prices of R18,99.

Meatlands lamb suppliers in Colesberg quoted local lamb prices between R9-12/kg for loin. Abbatoir manager Justin

MEREDITH JENSEN

Kent credited a shortened line from the supplier to the housewife.

"Controlled areas limit free trade. We could unload chops in Johannesburg for R12/kg if we were allowed to do business there," he said.

Sam's Foods administration manager Eben du Plessis confirmed the this week's R1 rise in the wholesale price of lamb.

"Our wholesaler mark-up is only 5% and this must cover wages, transportation, overheads — everything," Du Plessis said. He added that Sam's turnover was more than R1m a week, of which the company claimed a 0,25% net profit.

Du Plessis shifted the blame to butchers who, he said, increased the price by more than 30%. He said lamb should be sold for about R12/kg in the shops.

Under the present system, the Meat Board requires a permit to bring meat into certain "controlled" areas. Producers wanting to sell within these areas may be issued with a permit, but often found it difficult to compete with the large wholesalers, industry sources said.

OK Bazaars food marketing director Mervyn Kraitzick said: "There has been a lot of slaughter which has been bought by

□ To Page 2

Meat industry

BDay 5/6/92 (3) meat

□ From Page 1

the Meat Board and put into cold storage. Why not put it on the market and encourage sales by dropping minimum prices?"

Meat Board GM Pieter Coetzee said: "Last year when we also had a surplus, the Meat Board decided to allow auction prices to drop below the minimum prices and paid the differencee between the two prices directly to the producers. The board cancelled this method after two months because retail prices continued to rise."

Meanwhile, a proposal for the privatisation of the SA Abattoir Corporation (SAAC) is scheduled to be submitted to Parliament on Monday. A government source predicted the proposal was likely to be passed by the end of the month.

"When the SAAC is privatised the Abattoir Industry Act, which controls the industry, will be abolished." Control areas also would be eliminated.

Farmers slam beef imports

STAR 11/6/92 (3) meat

Pretoria Correspondent and Sapa

The Department of Agriculture has issued a permit for the import of 5 000 tons of meat from Zimbabwe — although 6 000 tons of surplus red meat is already lying in the Meat Board's cold storage facilities.

The imports will be spread over one year.

Both the South African Agricultural Union and the Red Meat Producers Organisation (RPO) said yesterday that they had learnt with shock that the Department of Agriculture had granted the import permit for the Zimbabwean meat without consulting the Meat Board.

The "discovery" of a 28-year-old trade agreement with Zimbabwe led to the granting of the import permit for the Zimbabwean meat.

But the flood of Zimbabwean beef will not result in lower prices.

RPO chairman Gerhard Bronn yesterday criticised the Department of Agriculture for granting the permit, saying the local market was already oversupplied.

The drought was forcing producers to sell stock, and the Meat Board was buying up "great numbers" of carcasses at floor prices.

"In this emergency situation, producers can't be expected to compete against imported meat," Mr Bronn said.

Producer prices of red meat had been decreasing in real terms over the last four years, and although a recovery had been imminent, emergency slaughterings because of the drought had forced prices down to floor level again, he said.

In April, the RPO had asked Minister of Agriculture Dr Kraai van Niekerk to suspend all further imports of red meat until the crisis had been averted.

"The Red Meat Producers Organisation was therefore amazed to hear that an import permit of this magnitude had been granted nonetheless,"

Meat Board senior general manager Dr Pieter Coetzee said the permit had been granted after the "discovery" of a 1964 trade agreement between South Africa and Zimbabwe.

He said the drought had resulted in an oversupply of local carcasses and the Meat Board was buying up a great number of carcasses at floor prices and storing them.

There were currently 6 000 tons of surplus beef available in Meat Board storerooms — but it was unlikely the surplus and the imported Zimbabwean beef would have any effect on consumer prices.

The producer price of beef had decreased from R5,32/kg in January to R4,95/kg last month, but the consumer price had not shown a similar decrease, he said.

Mr Bronn said the RPO had sent a complaint to the Minister of Agriculture.

Farmers in uproar over meat imports

GERALD REILLY (3) Meat

PRETORIA — Meat producers are fuming about 5 000 tons of red meat being imported from Zimbabwe under a trade treaty that has not been used since the days of Ian Smith's government. BDay 11/6/92

The Red Meat Producers' Organisation said it was "shocked" that the Agriculture Department had not consulted the Meat Board before giving permission for the Zimababwe Cold Storage Commission to sell the consignment in SA.

Organisation chairman Gerhard Bronn said yesterday a strong protest had been lodged with Agriculture Minister Kraai van Niekerk.

Bronn said the issuing of permits was particularly harmful to the local industry because the critical drought conditions had forced SA farmers to sell large numbers of their stock. This had led to the Meat Board buying an oversupply of carcasses as auction prices tumbled to near floor levels.

Yesterday the board said there were 6 000 tons of SA meat in storage.

Sources in Harare said Zimbabwean producers probably would get about R17m for the meat, at least R6m more than they would have realised at home. The Zimbabwean commission's SA agents would market the meat.

Cattle farmers in Zimbabwe have accused government of "political foot-dragging" for not getting them into the lucrative SA market sooner.

Bronn said the "emergency situation" in SA meant the local industry could not compete with imported beef. Red meat prices had declined in real terms during the past few years, although there were indications that prices would recover this year.

He said the organisation had asked Van Niekerk in April to suspend all meat imports until the current crisis had been overcome.

Meat Board GM Pieter Coetzee regretted that the board had not been consulted. He agreed that the critical conditions merited consideration of a temporary suspension of imports.

MICHAEL HARTNACK reports from Harare that Zimbabwean cattle industry

☐ To Page 2

Meat imports

BDay 11/6/92 (3) Meat

☐ From Page 1

experts have accused government of losing them millions of dollars in potential beef exports to SA.

Last June, Zimbabwean cattle producers asked the Cold Storage Commission to investigate resumed sales of super quality beef to SA.

Industry sources said the commission had been responsible for bureaucratic delays — resulting in an SA veterinary team visiting Zimbabwe only in January before granting it a clean bill of health.

Last year SA had a severe shortage of super beef which could have been met by Zimbabwe.

Coetzee said the Zimbabwean permit application had been submitted to the Board of Trade and Industry which had passed it on to the Agriculture Department.

A department spokesman said the imported frozen deboned beef would be subject to a duty based on the price paid by the importer. There would be a small rebate.

He said the 5 000 tons was almost insignificant when measured against SA's 693 000 ton beef consumption in 1990/91.

Beef imports normal for SA, says govt

(3) Meat

GERALD REILLY

PRETORIA — SA is a net importer of beef and since 1955-56 amounts shipped in have varied between 3% and 20%.

The Agriculture Department's marketing directorate says local production provided for between 83% and 93% of the local need between 1986-87 and 1990-91. Average annual local production was 575 000 tons.

Imports in 1988 totalled 48 100 tons, in 1989 20 700 tons, and in 1990 6 600 tons. Last year 5 900 tons were imported.

Directorate director Attie Swart said in a statement that, in conformity with government policy to replace quantitive control of farm products with tariff protection, the duty on red meat was raised to protect local red meat producers. The statement follows the announcement that 5 000 tons of frozen, deboned beef was to be imported from Zimbabwe in terms of a long-standing trade agreement.

Swart said in the case of frozen deboned beef, the duty was raised to R9/kg, less 80% ad valorum. This meant this type of meat, after payment of local duty, could be imported profitably only if a wholesale price higher than R9/kg plus costs could be obtained.

Because the high duty had shown imports could be regulated, import permits for this type of meat were not limited.

Beef carcases are being sold at Johannesburg auctions now for R5,14/kg.

13/Day 12/6/92

FM 12/6/92 (3) Meat

MEAT BOARD

Cutting off Cape Town

The SA Municipal Workers' Union (Samwu) is stalling attempts by the Meat Board and the Red Meat Producers' Organisation to maintain control of the R8bn-a-year red-meat industry through the State's soon-to-be-privatised Abattoir Corp (Abacor).

While this may not have been Samwu's direct aim, it is the by-product of its dispute with the Cape Town City Council over the council's attempt to sell off its Maitland abattoir to Abacor.

Maitland is the only abattoir in a major urban market not owned or controlled by Abacor. And the Meat Board has become so desperate in its attempt to force the city council to sell to Abacor that it has threatened to cut off meat supplies to Maitland.

The board's desperation is linked to the pending privatisation of Abacor and the proposed "deregulation" of the industry. Government has accepted the board's recommendation that producers will get 45% of a privatised Abacor, the trade 30%, the public 20% and employees 5%, giving powerful producer interests effective control.

Part of its plan to basically re-regulate the industry is to have abattoir owners take over many of the board's regulatory functions, such as access control, floor prices, storage of surplus stock, hygiene and grading administration. In other words, it would retain control under a different guise.

Because the city council indicated that it was not willing to take over these functions, nor to sell to Abacor, the board's plan to keep effective control of the urban meat markets through Abacor is in danger of falling apart.

Now Samwu has strengthened the council's wavering opposition to the board's moves by refusing to accede to any attempts to "privatise" the Maitland abattoir.

"We are acting not only in the interests of labour relations and of our workers' rights; the proposed selloff of Maitland to Abacor also threatens consumer interests," says Salie Manie, the union's Cape regional chairman. "It is against the interests of the Cape public that an effective monopoly should control our slaughtering facilities. Meat prices rose by more than 30% last year. Our members are also consumers and we feel that we have to protect these rights as well."

Samwu demanded that the council fully disclose any pending sales agreement and that it will not agree with a sale until it is satisfied with all the details. "In any case, we fail to see what right a parastatal like the Meat Board has to threaten the council to force it to sell off to Abacor."

In a recent memo to the council, the board's threatened action was clear: "The board decided to deregulate before the end of June. You are now standing in the way of the board doing this because certain functions cannot be deleted from the scheme when there is nobody . . . with the authority to take over these functions."

Unless the council undertook to take over the board's functions by July and started negotiations to sell the abattoir to Abacor "and the major buyers of meat at Maitland," or to rent it to this group from July 1, Abacor's planning committee for the western Cape would be advised that: "As an interim measure, all the slaughter animals which are being sent to Maitland (will) be progressively diverted to the abattoirs at Grabouw, Paarl, Malmesbury, Worcester, Spekenham (Bellville), George, De Aar, Kimberley and Vredendal and that the slaughtering at Maitland be phased out within the next few months."

Coupled with this, a new abattoir will be developed at Atlantis.

Salie says Samwu is considering taking the matter to the Minister of Agriculture. "In any case, Maitland declares a surplus of more than R2m a year and generates valuable positive cash flows for the city. Furthermore, the price discussed is far too low." ■

Farmers consider action

B/Day 12/6/92

(3) Meat

MEREDITH JENSEN

THE Organisation of Livestock Producers yesterday said it was considering taking legal action against the Meat Board following information it had received that the board had allegedly collected huge levies which were not used for the benefit of producers.

The livestock organisation said it was investigating the matter, but had not yet received the final papers from its lawyers in Cape Town.

Livestock producers Chairman Nils Dittmer, whose organisation represented over 500 producers, said SA meat producers were compelled to pay levies to eight different organisations.

He said: "We pay levies to the Meat Board as well as a levy for Meat Board insurance. We also pay an SA Agricultural Union (SAAU) levy as well as abattoir, slaughter, inspection, delivery and VAT finance fees. These amount to R4 419 on R25 000 worth of cattle."

He said he did not see why it was necessary to pay both an abattoir and a slaughter fee as they performed the same functions.

"Paying a fee to SAAU is, in effect, the same thing as paying money to the Red Meat Producers who are the livestock producers' competition," Dittmer said.

He said he had not realised any benefit from the levies. "I, like many producers, have never sold below the Meat Board's guaranteed floor price so I have never been subsidised. Basically, I am subsidising the farmers who are inefficient."

Dittmer said floor prices were negative for producers.

"Fixed prices create a surplus. If these prices were allowed to drop, there would not be a surplus."

Minimum

He said the livestock producers' members were prepared to accept the risks of a free market system.

Meat Board G M Pieter Coetzee said the board's levy had remained at 11% of the value of a carcass since 1975.

"The farmer pays a R5 levy per carcass. Out of this, the Meat Board guarantees a minimum floor price for his meat."

Coetzee said a guaranteed minimum price was necessary to maintain stability in the red meat industry. "If we did not have a floor price, not many farmers would survive until next year."

Meat manipulators are facing the chop

S/Times 14/6/92. (3) Meat

CLAIRE ROBERTSON reports on the marketing boards under fire

THE Meat Board building in Pretoria was not a restful place to be on Friday morning. "We're all talking about it. People are very worried," said one secretary. "To think we might lose our jobs, especially in these times..."

The previous evening the Board on Tariffs and Trade had fired a warning shot across the Meat Board's bows with a recommendation that its statutory powers and those of the other 20 agricultural control boards be terminated.

Three other organisations are also gunning for control boards — the Competition Board, the Department of Agriculture and the Sunnyside Group, a national alliance of about 150 000 small enterprise owners.

Hardly a kind word can be found for most of the boards, which are damned as manipulative controlling bodies all too often hijacked by those with vested interests.

The influence of the boards is widespread: only a fifth of agricultural produce marketed each year is without any type of legislative control.

The BTT laid the blame for the soaring cost of food squarely on the present food marketing system.

Restrictive

The 21 boards function as parastatals under the Marketing Act of 1968, which empowers them to impose a levy on a product or set up a closed shop whereby producers are forced to sell to them only.

The Competition Board is investigating the Meat Board and has already identified practices "which, but for the fact that they were condoned by specific legislation, would be regarded as restrictive", said chairman Dr Pierre Brooks.

"It might well be necessary to look at other boards. One wonders if the writing is not on the wall for marketing control boards," he said.

Agriculture officials resent the fact that the boards shift the responsibility for caring for farmers on to the department in hard times, but operate autonomously otherwise. Farmers have run up a debt of R18-million.

"Every time there's a drought the farmers run to the Department of Agriculture to ask for money — yet the boards sit with reserve funds of about R1,2-billion," said one official.

The Supreme Court ruled last week that the levies paid by non-manufacturing distributors of milk in effect compelled them to "subsidise their competitors".

The Dairy Board had shown an "obvious bias" toward large-scale businesses, Mr Justice van Niekerk ruled.

But the main problem with the boards is not so much their methods as their constitution.

In some respects they are good ideas which went rotten when members with vested interests took places on the boards, swaying decisions and setting prices for their own gain.

In other cases the restrictions on, for example, who could own a butchery or bakery, or slaughter cattle, created a tightly controlled environment in which only the largest firms could survive.

Collusion

Restrictions in the red-meat industry favour three main players — Kanhym, Imperial Cold Storage and Vleissentraal, according to Professor Johan Groenewald of the University of Pretoria's Agriculture Department.

"This could lead to collusion in terms of the market shares — and is contrary to the interests of the farmer and the consumer."

The entire red meat industry has suffered because of the Meat Board, according to a report compiled by the Sunnyside Group.

As a result of the restrictions the consumption of red meat has declined and the viability of cattle farmers is threatened, the report says.

First World standards not appropriate — DP

BDay 16/6/92 (3) Meat

CAPE TOWN — The Abattoir Hygiene Bill attempted to impose First World standards of hygiene on a Third World market, Errol Moorcroft (DP Albany) said yesterday.

Speaking in Parliament during the second reading of the Bill, he said this effectively restricted the flow of affordable meat to the needy.

"A balance will have to be struck between the needs of the poor and the standards of the rich."

The DP proposed a two-tier system of slaughter. There should be accredited abattoirs selling accredited meat for those who could afford it as well as non-accredited abattoirs selling non-accredited meat.

Introducing the Bill earlier Agriculture Minister Kraai van Niekerk said norms of hygiene had to be laid down while steps were taken to ensure they were not too high. He said consumers had to be guaranteed safe, clean and affordable meat.

The Bill proposed that animals be slaughtered only at places approved by the director of meat hygiene. No meat should be allowed to leave an abattoir without being approved first.

Van Niekerk said the SA Abattoir Corporation Bill, which provides for the abolition of the existing SA Abattoir Commission and the creation of an SA Abattoir Corporation, would not result in monopolisation as the free movement of meat would be guaranteed by the Meat Scheme.

Introducing the Bill's second reading, he said it essentially provided the legal framework within which privatisation would take place.

□ In Bloemfontein, the Free State Agricultural Union has rejected that controlled marketing was a primary cause of increased food prices.

Union president Pieter Gous said it could not be denied that controlled marketing contributed to the problem, but monopolies and the middleman were "skimming the cream". Between the farmer and the consumer large profits were made. — Sapa.

Imported beef row simmers

(3) Meat

STAR 18/6/92

Own Correspondent

The Department of Agriculture has refused to divulge the name of the firm that was issued with a permit allowing it to import 5 000 tons of beef from Zimbabwe.

The issuing of the permit caused an outcry among meat farmers who have been forced by the drought to slaughter livestock, resulting in a huge stockpile at the Meat Board's storage facilities.

A spokesman for the department said permits issued to businesses were "confidential".

He said the issuing of the import permit was in any case "purely academic". The obstacle to the importation of meat was no longer obtaining a permit; tariff protection now regulated this.

He said it was unlikely that the business concerned would use the import permit to bring in meat "as it would cost about R9/kg as a result of the import tariff. It would be cheaper to buy the meat locally.

"The permit was no doubt requested in case of meat shortages in South Africa."

PPI: RED MEAT BOOST

③ meat

FM 19/6/92

Prices of fresh meat, after falling nearly 2% in March, rose 3,7% in April. The movement in the production price index, compiled by Central Statistical Service, is confirmed by prices provided by the Meat Board. According to senior GM Pieter Coetzee, the average producer price of pork in the two months was static but beef, mutton and lamb producer prices rose sharply:

- Beef from 476c/kg in March to 486,8c in April before falling to 483,7c in May;
- Mutton and lamb from 631c to 665c and 661c.

This is contrary to expectations that the drought would compel farmers to put an oversupply of meat on the market. Coetzee suggests the meat supplied to the market in April may have been of a better quality than that sold in March. "Farmers obviously sell the worst of their herds first."

The subsequent fall could have come about as supplies increased further.

Total food prices under the category of manufacturing, with a weighting of 12,9 in the index, rose 1% in the month. Food itemised under agriculture, with a weighting of 8,64, rose 2,2%.

Pressure on April producer prices also came from the rising cost of oil imports. The recent upward impetus in the oil price is reflected in price rises of 6,9% in 93 octane petrol and 5,5% in diesel oil on the Witwatersrand. And it can be seen in the acceleration of the rate at which imported commodity prices rose in the month, 1,4% (after only 0,1% in March).

Locally produced commodities rose 1,1% (0,9%). The overall production price index rose 0,9%. All figures are seasonally adjusted.

Annual rates of increase were: 9,5%; 5,4%; and 8,8%.

City plans to sell abattoir

S Times [Cape Metro] Meat

21/6/92 By KURT SWART (3)

CAPE TOWN'S City Council, under pressure from the Meat Board and private business interests, is to sell the Maitland abattoir, the only one in the country still run by a municipal authority.

The council found itself in a dilemma when a consortium of local businessmen offered to buy the abattoir — and threatened to build a modern facility in opposition if the council refused to sell.

Although the council has been anxious to sell the loss-making abattoir for some time, objections from two trade unions stopped them from going ahead.

But, according to executive committee vice-chairman Mr Louis Kreiner, the council had met the requests of the unions, the SA Municipal Workers Union and the SA Association of Municipal Employees, and the sale was to go ahead.

The abattoir employs 600 members of both trade unions.

Mr Kreiner admitted that pressure on the council to sell had come from the Meat Board and private businessmen. To comply with new hygiene legislation, the council abattoir needs major upgrading, which will cost R160-million.

The abattoir would be sold or rented but and an advertisement announcing this would be placed in newspapers soon, Mr Kreiner said.

(e) vir daardie gedeelte van die geannualiseerde bydraes wat R770 000 te bowe gaan, een persent van sodanige bydraes."; en

(b) in paragraaf (2) die bedrag "R3 000" deur die bedrag "R3 450" te vervang.

Intrekking van Goewermentskennisgewing

3. Goewermentskennisgewing No. R. 1925 van 17 Augustus 1990 word hierby ingetrek.

Inwerkingtreding

4. Regulasies 1 en 2 tree in werking op 1 Julie 1992, en is vanaf sodanige datum van toepassing op alle nuwe skemas, en op bestaande skemas vanaf die datum waarop die daaropvolgende skemajaar 'n aanvang neem.

No. R. 1755 **26 Junie 1992**

INWERKINGTREDING VAN ARTIKELS 36 en 37 VAN DIE INKOMSTEBELASTINGWET, 1991 (WET 129 VAN 1991)

Kragtens artikel 53 (2) van die Inkomstebelastingwet, 1991 (Wet No. 129 van 1991), bepaal ek, Derek Lyle Keys, Minister van Finansies, hierby **1 Julie 1992** as die datum waarop artikels 36 en 37 van genoemde Wet in werking tree.

Geteken te Kaapstad op 16 Junie 1992.

D. L. KEYS,

Minister van Finansies.

DEPARTEMENT VAN LANDBOU

No. R. 1748 **26 Junie 1992**

WET OP LANDBOUPRODUKSTANDAARDE, 1990 (WET No. 119 VAN 1990)

REGULASIES BETREFFENDE DIE KLASSIFISERING EN MERK VAN VLEIS

Die Minister van Landbou het, kragtens artikel 15 van die Wet op Landbouprodukstandaarde, 1990 (Wet No. 119 van 1990)—

(a) die regulasies in die Bylae uitgevaardig;

(b) die vleisgraderingsregulasies gepubliseer by Goewermentskennisgewing No. R. 2120 van 20 September 1985 (soos verbeter deur Goewermentskennisgewing No. R. 2475 van 1 November 1985), soos gewysig by Goewermentskennisgewings Nos. R. 54 van 15 Januarie 1988, R. 1209 van 24 Junie 1988 en R. 1644 van 19 Julie 1991 herroep;

(c) die verbod op die verkoop van vleis, gepubliseer by Goewermentskennisgewing No. R. 1645 van 19 Julie 1991, herroep; en

(d) bepaal dat hierdie regulasies op 1 Julie 1992 in werking tree.

BYLAE

Woordomskrywing

1. In hierdie regulasies het enige woord of uitdrukking waaraan 'n betekenis in die Wet geheg is, daardie betekenis en, tensy uit die samehang anders blyk, beteken—

"abattoir identifikasiekode" 'n kode wat in die rolmerk van 'n karkas gebruik word om die abattoir van oorsprong van die karkas te identifiseer;

(e) for that portion of the annualised contributions in excess of R770 000, one per cent of such contributions."; and

(b) the substitution in paragraph (2) for the amount "R3 000" of the amount "R3 450".

Withdrawal of Government notice

3. Government Notice No. R. 1925 of 17 August 1990 is hereby withdrawn.

Commencement

4. Regulations 1 and 2 shall come into operation on 1 July 1992, and shall apply from such date to all new schemes, and to existing schemes from the date on which the following scheme year commences.

No. R. 1755 **26 June 1992**

COMMENCEMENT OF SECTIONS 36 AND 37 OF THE INCOME TAX ACT, 1991 (ACT No. 129 OF 1991)

Under section 53 (2) of the Income Tax Act, 1991 (Act No. 129 of 1991), I Derek Lyle Keys, Minister of Finance, hereby determine that sections 36 and 37 of the said Act shall come into operation on **1 July 1992.**

Signed at Cape Town on 16 June 1992.

D. L. KEYS,

Minister of Finance.

DEPARTMENT OF AGRICULTURE

No. R. 1748 3 Meat **26 June 1992**

AGRICULTURAL PRODUCT STANDARDS ACT, 1990 (ACT No. 119 OF 1990)

REGULATIONS REGARDING THE CLASSIFICATION AND MARKING OF MEAT

The Minister of Agriculture has, under section 15 of the Agricultural Product Standards Act, 1990 (Act No. 119 of 1990)—

(a) made the regulations in the Schedule;

(b) repealed the meat grading regulations published by Government Notice No. R. 2120 of 20 September 1985 (as corrected by Government Notice No. R. 2475 of 1 November 1985), as amended by Government Notices Nos. R. 54 of 15 January 1988, R. 1209 of 24 June 1988 and R. 1644 of 19 July 1991;

(c) repealed the prohibition on the sale of meat published by Government Notice No. R. 1645 of 19 July 1991; and

(d) determined that these regulations will come into effect on 1 July 1992.

SCHEDULE

Definitions

1. In these regulations, any word or expression to which a meaning has been assigned in the Act shall have that meaning and, unless the context otherwise indicates—

"abattoir identification code" means a code used in the rollermarking of a carcass to identify the abattoir of origin of the carcass;

"beskadigingsklassifikasie" die klassifikasie van 'n karkas ten opsigte van beskadiging op die wyse in regulasie 9, of regulasie 9 soos toegepas by regulasie 14, uiteengesit;

"bouvormklassifikasie" die klassifikasie van 'n karkas ten opsigte van bouvorm op die wyse in regulasie 8 of regulasie 8 soos toegepas by regulasie 13, uiteengesit;

"die Wet" die Wet op Landbouprodukstandaarde, 1990 (Wet No. 119 van 1990);

"geen vet" geen aanduiding van sigbare onderhuidse vet op 'n karkas nie;

"kalf" 'n bees waarvan geen gedeelte van die eerste kiestand in die linker- of regterbokaak deurgebreek het nie;

"karkas" die oorblywende deel van 'n bees, skaap, bok of vark nadat die bloed daarvan gedreineer is en die huid, vel, hare, ingewande, harslag, kop, stert, kloutjies en pote, na gelang van die gebruike ten opsigte van 'n bepaalde diersoort, asook die mantelvlies, geslagsorgane en uier verwyder is en ook—

(a) so 'n karkas wat lengtegewys langs die ruggraat daarvan in twee dele verdeel is; en

(b) 'n deel in paragraaf (a) na verwys, wat in twee ongeveer gelyke gedeeltes verdeel is;

"massa" met betrekking tot 'n karkas, die massa tot die naaste kilogram soos tydens klassifikasie bepaal;

"ondersoekgelde" die toepaslike ondersoekgelde soos voorgeskryf in die regulasies uitgevaardig kragtens artikel 15 van die Wet;

"ouderdomsklassifikasie" die klassifikasie van 'n karkas ten opsigte van ouderdom op die wyse in regulasie 6 uiteengesit;

"persentasie vleis", met betrekking tot 'n varkkarkas, beteken die vleisinhoud van so 'n karkas na verwydering van die kop, wange, kloutjies, vel, onderhuidse vet, niere en niervet, stert en been, uitgedruk as 'n persentasie van die karkas sonder die kop, wange, kloutjies, niere en niervet, en stert;

"vetdikte", met betrekking tot 'n varkkarkas, die dikte van die rugvet met inbegrip van die vel, soos op die wyse in regulasie 12 beoog, bepaal;

"vetheidsklassifikasie" die klasifikasie van 'n karkas ten opsigte van vetheid op die wyse in regulasie 7 uiteengesit; en

"vleis" daardie gedeeltes van 'n karkas wat normaalweg vir menslike verbruik verkoop word.

Beperking op die verkoop van vleis

2. (1) Niemand mag, behoudens die bepalings van subregulasies (2) en (3), vleis in die Republiek verkoop nie tensy—

(a) daardie vleis afkomstig is van 'n karkas wat volgens 'n klas ingevolge regulasie 4 of 10 geklassifiseer is;

(b) daardie karkas aan die standaarde of ander eienskappe van sodanige klasse soos in hierdie regulasies bedoel, voldoen; en

"age classification" means the classification of a carcass in respect of age in the manner set out in regulation 6; 3 meat

"calf" means a bovine of which no part of the first molar in the left or right upper jaw has erupted;

"carcass" means the remaining part of a bovine, sheep, goat or pig after the blood thereof has been drained and the hide, skin, hair, entrails, pluck, head, tail, hooves and trotters according to the customs in respect of a particular kind of animal, as well as the diaphragm, sex organs and udder have been removed, and also—

(a) such a carcass that has been divided lengthwise in two parts along the spinal column thereof; and

(b) a part referred to in paragraph (a), that has been divided into two approximately equal portions;

"conformation classification" means the classification of a carcass in respect of conformation in the manner set out in regulation 8 or regulation 8 as applied by regulation 13;

"damage classification" means the classification of a carcass in respect of damage in the manner set out in regulation 9 or regulation 9 as applied by regulation 14;

"fatness classification" means the classification of a carcass in respect of fatness in the manner set out in regulation 7;

"fat thickness", with regard to a pig carcass, means the thickness of the back fat including the skin, as determined in the manner as contemplated in regulation 12;

"inspection fees" means the applicable inspection fees as prescribed in the regulations published under section 15 of the Act;

"mass", with regard to a carcass, means the mass to the nearest kilogram as determined at the time of classification;

"meat" means those parts of a carcass which are normally sold for human consumption;

"no fat" means no indication of visible subcutaneous fat on a carcass;

"percentage meat", with regard to a pig carcass, means the meat content of a carcass after removal of the head, jowls, trotters, skin, subcutaneous fat, kidneys and kidney fat, tail and bone, expressed as a percentage of the carcass without the head, jowls, trotters, kidneys and kidney fat, and tail; and

"the Act" means the Agricultural Product Standards Act, 1990 (Act No. 119 of 1990).

Restriction on the sale of meat

2. (1) Nobody shall, subject to the provisions of subregulations (2) and (3), sell meat in the Republic unless—

(a) that meat is derived from a carcass which has been classified according to a class in terms of regulation 4 or 10;

(b) that carcass complies with the standards or other characteristics of such classes as contemplated in these regulations; and

(c) die voorgeskrewe vereistes in verband met die merk van die karkas ingevolge regulasies 15, 16, 17, 18 en 19, nagekom is.

(2) Hierdie verbod is slegs van toepassing op—

(a) die verkoop van vleis van karkasse wat verkry is van diere wat geslag is by 'n abattoir ten opsigte waarvan 'n abattoir identifikasiekode toegeken is; en

(b) die verkoop van vleis van karkasse wat met enige merk, simbool of ander begripsuitdrukking gemerk is wat 'n aanduiding van 'n klas daarvan is of heet te wees.

(3) Die Uitvoerende Beampte kan iemand skriftelik, in die geheel of gedeeltelik, op die voorwaardes wat die Uitvoerende Beampte nodig ag, van die bepalings van subregulasie (1) vrystel.

Abattoir identifikasiekode

3. (1) 'n Abattoir identifikasiekode vir gebruik in die rolmerk van 'n karkas word op skriftelike aansoek deur die Uitvoerende Beampte aan 'n abattoir toegeken.

(2) So 'n kode mag slegs gebruik word in die abattoir waaraan dit toegeken is.

(3) (a) Indien 'n abattoir identifikasiekode aan 'n abattoir toegeken is, moet alle karkasse afkomstig van daardie abattoir geklassifiseer en gerolmerk word.

(b) Die klassifisering en rolmerk ten opsigte van die eerste spesie moet binne 60 dae na die toekenning van 'n abattoir identifikasiekode geïmplementeer word.

(c) 'n Grasietydperk van hoogstens 12 maande word toegelaat ten opsigte van die implementering van die klassifisering en rolmerk van elke daaropvolgende spesie wat by die abattoir geslag word.

(4) Die Uitvoerende Beampte mag 'n abattoir identifikasiekode intrek indien—

(a) die rolmerk van karkasse nie binne die tyd in subregulasie (3) genoem, geïmplementeer word nie;

(b) die abattoir nie enige karkasse gedurende enige tydperk van ses maande klassifiseer of rolmerk nie; of

(c) die abattoir nie oor die dienste van 'n persoon in regulasie 16 bedoel, beskik nie.

KLASSIFISERING VAN KALF-, BEES-, SKAAP- EN BOKKARKASEIENSKAPPE

Klasse kalf-, bees-, skaap- en bokkarkasse

4. (1) Die karkas van 'n kalf, bees, skaap of bok word as 'n klas ingevolge regulasie 5 geklassifiseer.

(2) Die klassifisering van 'n karkas word—

(a) in die geval van 'n kalf, op die hele karkas of op 'n sy daarvan gedoen;

(b) in die geval van 'n bees, op die hele karkas of op 'n sy daarvan of, waar die 'n karkas in so 'n mate beskadig is dat die sy gekwart is, op 'n kwart daarvan gedoen; of

(c) op die hele karkas gedoen.

Standaarde vir klasse

5. (1) Die karkas van 'n bees, skaap of bok word volgens—

(a) ouderdom as die ouderdomsklasse A, B of C ooreenkomstig die bepalings van regulasie 6 geklassifiseer;

(c) the prescribed requirements regarding the marking of the carcass in terms of regulations 15, 16, 17, 18 and 19 have been complied with.

(2) This prohibition is only applicable to—

(a) the sale of meat of carcasses obtained from animals which have been slaughtered at an abattoir in respect of which an abattoir identification code has been allocated; and

(b) the sale of meat of carcasses which have been marked with any mark, symbol or other method of expression that is or purports to be an indication of a class thereof.

(3) The Executive Officer may exempt someone in writing, either totally or in part, on the conditions which the Executive Officer deems necessary, from the stipulations of subregulation (1). 3 Meat

Abattoir identification code

3. (1) An abattoir identification code for use in the rollermarking of a carcass is allocated by the Executive Officer to an abattoir upon written application.

(2) Such a code shall only be used in the abattoir to which it has been allocated.

(3) (a) If an abattoir identification code has been allocated to an abattoir, all carcasses originating from that abattoir shall be classified and rollermarked.

(b) The classification and rollermarking in respect of the first specie shall be implemented within 60 days after an abattoir identification code has been allocated.

(c) A period of grace of not more than 12 months shall be allowed with regard to the implementation of the classification and rollermarking of each consecutive specie which is slaughtered at the abattoir.

(4) The Executive Officer may withdraw an abattoir identification code if—

(a) the rollermarking of carcasses is not implemented within the time limit as specified in subregulation (3);

(b) the abattoir concerned does not classify or rollermark any carcasses during any six month period; or

(c) the abattoir does not have at its disposal the services of a person contemplated in regulation 16.

CLASSIFICATION OF CALF, BOVINE, SHEEP AND GOAT CARCASS CHARACTERISTICS

Classes of calf, bovine, sheep and goat carcasses

4. (1) The carcass of a calf, bovine, sheep or goat shall be classified as a class in terms of regulation 5.

(2) The classification of a carcass shall—

(a) in the case of a calf, be done on the whole carcass or on a side thereof;

(b) in the case of a bovine, be done on the whole carcass or on a side thereof or, where the carcass has been damaged to such an extent that the side has been quartered, on a quarter thereof; or

(c) be done on the whole carcass.

Standards for classes

5. (1) The carcass of a bovine, sheep or goat shall be classified according to—

(a) age as the age classes A, B or C in accordance with the provisions of regulation 6;

(b) vetheid as die klasse 0, 1, 2, 3, 4, 5 of 6 ooreenkomstig die bepalings van regulasie 7 geklassifiseer;

(c) bouvorm as die klasse 1, 2, 3, 4 of 5 ooreenkomstig die bepalings van regulasie 8 geklassifiseer; en

(d) beskadiging as die klasse 0, 1, 2 of 3 ooreenkomstig die bepalings van regulasie 9 geklassifiseer.

(2) Die karkas van 'n kalf word volgens—

(a) ouderdom as die klas "Kalf" geklassifiseer;

(b) bouvorm as die klasse 1, 2, 3, 4 of 5 ooreenkomstig die bepalings van regulasie 8 geklassifiseer; en

(c) beskadiging as die klasse 0, 1, 2 of 3 ooreenkomstig die bepalings van regulasie 9 geklassifiseer.

Bepaling van ouderdomsklassifikasie

6. (1) Behoudens die bepalings van subregulasies (2) en (3), word die karkas van 'n bees, skaap of bok wat—

(a) geen permanente snytande het nie, as "Ouderdomsklas A" geklassifiseer;

(b) minstens een maar hoogstens ses permanente snytande het, as "Ouderdomklas B" geklassifiseer; en

(c) meer as ses permanente snytande het, as "Ouderdomsklas C" geklassifiseer.

(2) Die karkas van 'n bees, skaap of bok waarvan die kop nie beskikbaar is vir die bepaling van ouderdomsklassifikasie nie, word geag 'n karkas van Ouderdomsklas C te wees.

(3) Die karkas van 'n jong bees waarvan die kop nie beskikbaar is vir die bepaling van die ouderdomsklassifikasie nie, word geag die karkas van 'n bees van Ouderdomsklas A te wees tensy die persoon wat die klassifikasie doen, oortuig is dat dit die karkas van 'n kalf is.

Bepaling van vetheidsklassifikasie

7. (1) Die karkas van 'n dier in kolom 1 van Tabel 1 vermeld wat, aan die hand van 'n visuele evaluering van die onderhuidse vetverspreiding daarvan, beskryf kan word soos in kolom 2 daarteenoor uiteengesit, kan ten opsigte van vetheid as die klas in kolom 3 teenoor die betrokke beskrywing vermeld, geklassifiseer word.

(2) 'n Beskrywing in subregulasie (1) bedoel kan in die geval van 'n verkoelde karkas 'n onderhuidse vetlaag met 'n dikte soos in kolom 4 van Tabel 1 teenoor die betrokke beskrywing vermeld, verteenwoordig wat—

(a) in die geval van 'n bees, tussen die tiende en elfde ribbe en 50 mm vanaf die middellyn van daardie karkas gemeet word; of

(b) in die geval van 'n skaap, tussen die derde en vierde lumbale werwels en 25 mm vanaf die middellyn van daardie karkas gemeet word.

(b) fatness as the classes 0, 1, 2, 3, 4, 5 or 6 in accordance with the provisions of regulation 7; (3) meat

(c) conformation as the classes 1, 2, 3, 4 or 5 in accordance with the provisions of regulation 8; and

(d) damage as the classes 0, 1, 2, or 3 in accordance with the provisions of regulation 9.

(2) The carcass of a calf shall be classified according to—

(a) age as the class "Calf";

(b) conformation as the classes 1, 2, 3, 4 or 5 in accordance with the provisions of regulation 8; and

(c) damage as the classes 0, 1, 2 or 3 in accordance with the provisions of regulation 9.

Determination of age classification

6. (1) Subject to the provisions of subregulations (2) and (3), the carcass of a bovine, sheep or goat that—

(a) has no permanent incisors, shall be classified as "Age class A";

(b) has at least one but not more than six permanent incisors, shall be classified as "Age class B"; and

(c) has more than six permanent incisors, shall be classified as "Age class C".

(2) The carcass of a bovine, sheep or goat of which the head is not available for the determination of age classification shall be deemed to be a carcass of Age class C.

(3) The carcass of a young bovine of which the head is not available for the determination of the age classification shall be deemed to be the carcass of a bovine of Age class A unless the person performing the classification is satisfied that it is the carcass of a calf.

Determination of fatness classification

7. (1) The carcass of an animal mentioned in column 1 of Table 1 that could, on the basis of a visual evaluation of the subcutaneous fat distribution thereof, be described as specified in column 2 opposite thereto, may in respect of fatness be classified as the class referred to in column 3 opposite the description concerned.

(2) A description contemplated in subregulation (1) may in the case of a chilled carcass represent a subcutaneous fat layer with a thickness as specified in column 4 of Table 1 opposite the description concerned which—

(a) in the case of a bovine, is measured between the tenth and eleventh ribs and 50 mm from the midline of that carcass; or

(b) in the case of a sheep, is measured between the third and fourth lumbar vertebrae and 25 mm from the midline of that carcass.

Bepaling van bouvormklassifikasie

8. Die karkas van 'n dier in kolom 1 van Tabel 2 vermeld wat, aan die hand van 'n visuele evaluering van die bouvorm daarvan, beskryf kan word soos in kolom 2 daarteenoor uiteengesit, kan ten opsigte van bouvorm as die klas in kolom 3 teenoor die betrokke beskrywing vermeld, geklassifiseer word.

Bepaling van beskadigingsklassifikasie

9. Die karkas van 'n kalf, bees, skaap of bok—

(a) wat onbeskadig is, word as Klas 0 ten opsigte van beskadiging geklassifiseer;

(b) wat in so 'n mate beskadig is dat, met inagneming van die ligging, omvang en diepte van die beskadiging, die vet-tot-vleis-tot-beenverhouding van so 'n karkas.

(i) slegs in 'n geringe mate versteur is, word as Klas 1 ten opsigte van beskadiging geklassifiseer;

(ii) matig versteur is, word as Klas 2 ten opsigte van beskadiging geklassifiseer; of

(iii) erg versteur is, word as Klas 3 ten opsigte van beskadiging geklassifiseer.

KLASSIFISERING VAN VARKKARKAS-EIENSKAPPE

Klasse varkkarkasse

10. (1) Varkkarkasse word as "Speenvark", "Klas P", "Klas O", "Klas R", "Klas C", "Klas U", "Klas S" of "Worsvark" geklassifiseer.

(2) Die klassifisering van 'n varkkarkas word op die hele karkas of op 'n sy daarvan gedoen.

Standaarde vir klasse

11. (1) 'n Varkkarkas met 'n massa van 20 kg of minder word as die klas "Speenvark" geklassifiseer.

(2) 'n Varkkarkas met 'n massa van 21 kg of meer maar nie meer nie as 90 kg, word as 'n klas in kolom 1 van Tabel 3 vermeld, geklassifiseer indien die berekende persentasie vleis van die karkas is soos in kolom 2 van die tabel teenoor die betrokke klas vermeld.

(3) 'n Varkkarkas met 'n massa van 91 kg of meer word as die klas "Worsvark" geklassifiseer.

Bepaling van persentasie vleis

12. (1) Die persentasie vleis van 'n varkkarkas word bereken nadat—

(a) die vetdikte en spierdikte met behulp van 'n elektroniese diktemeter; of

(b) die vetdikte met behulp van 'n intraskoop,

tussen die 2de en 3de laaste rib en 45 mm vanaf die middellyn van die karkas gemeet is terwyl dit in 'n hangende posisie is.

(2) Die persentasie vleis word, afhangende van die tegniek, met behulp van die volgende formules bereken (vetdikte en spierdikte in mm):

Elektronies: persentasie vleis = 72,5114 − (0,4618 × vetdikte) + (0,0547 × spierdikte).

Intraskoop: persentasie vleis = 74,4367 − (0,4023 × vetdikte).

Determination of conformation classification

8. The carcass of an animal mentioned in column 1 of Table 2 that could, on the basis of a visual evaluation of the conformation thereof, be described as specified in column 2, may in respect of conformation be classified as the class referred to in column 3 opposite the description concerned. 3 Meat

Determination of damage classification

9. The carcass of a calf, bovine, sheep or goat—

(a) which is undamaged, shall be classified as Class 0 in respect of damage;

(b) which is damaged to such an extent that, with due regard to the locality, extent and depth of the damage, the fat-to-meat-to-bone ratio of such a carcass—

(i) is distrubed to a slight extent only, shall be classified as Class 1 in respect of damage;

(ii) is moderately disturbed, shall be classified as Class 2 in respect of damage; or

(iii) is severly disturbed, shall be classified as Class 3 in respect of damage.

CLASSIFICATION OF PIG CARCASS CHARACTERISTICS

Classes of pig carcasses

10. (1) Pig carcasses shall be classified as "Sucking pig". "Class P", "Class O", "Class R", "Class C", "Class U", "Class S" or "Sausage pig".

(2) The classification of a pig carcass shall be done on the whole carcass or on a side thereof.

Standards for classes

11. (1) A pig carcass with a mass of 20 kg or less shall be classified as the class "Sucking pig".

(2) A pig carcass with a mass of 21 kg or more but not more than 90 kg, shall be classified as a class mentioned in column 1 of Table 3, if the calculated percentage meat of the carcass is as specified in column 2 of the table opposite the class concerned.

(3) A pig carcass with a mass of 91 kg or more shall be classified as the class "Sausage pig".

Determination of percentage meat

12. (1) The percentage meat of a pig carcass shall be calculated after—

(a) the fat thickness and muscle thickness have been measured by means of an electronic thickness meter; or

(b) the fat thickness has been measured by means of an intrascope,

between the 2nd and 3rd last ribs and 45 mm from the midline of the carcass while the carcass is in a hanging position.

(2) The percentage meat is calculated, depending on the technique, by means of the following formulae (fat thickness and muscle thickness in mm):

Electronic: percentage meat = 72,5114 − (0,4618 × fat thickness in mm) + (0,0547 × muscle thickness).

Intrascope: percentage meat = 74,4367 − (0,4023 × fat thickness).

(3) Die resultaat van 'n berekening in subregulasie (2) uiteengesit, word tot die laaste 0,1 % afgerond voordat 'n karkas geklassifiseer word.

Bepaling van bouvormklassifikasie

13. Die klassifikasie van 'n varkkarkas ten opsigte van bouvorm word ooreenkomstig die bepalings van regulasie 8 gedoen.

Bepaling van beskadigingsklassifikasie

14. Die klassifikasie van 'n varkkarkas ten opsigte van beskadiging word ooreenkomstig die bepalings van regulasie 9 gedoen.

MERK VAN KARKASSE

Stempelmerke

15. (1) (a) Elke karkaseienskap in kolom 1 van Tabel 4 vermeld waaraan 'n klas in kolom 2 toegeken is, word met 'n stempelmerk soos in kolom 3 teenoor daardie klas aangedui, op die betrokke karkas gemerk.

(b) 'n Stempelmerk word aangebring in die inkkleur in kolom 4 van die tabel teenoor die betrokke stempelmerk vermeld en, waar van toepassing, op die wyse in kolom 5 daarteenoor uiteengesit.

(2) (a) Elke karkas van 'n bees, skaap of bok moet met 'n aanduiding van die getal permanente snytande gemerk word.

(b) Die aanduiding moet, in die geval van—

(i) beeste, met 'n onuitwisbare inkpotlood op beide kante van die atlaswerwel aangebring word, of met 'n stempel in groen ink op die karkas gestempel word; en

(ii) skape en bokke, met 'n stempel in groen ink op die karkas gestempel word.

(3) (a) Die karkas van 'n beer of 'n burg wat tekens van laat kastrasie toon, moet met die stempelmerk "M/D" geïdentifiseer word.

(b) Die karkas van 'n ram of 'n bul wat as Ouderdomsklas B of Ouderdomsklas C geklassifiseer is, moet met die stempelmerk "M/D" geïdentifiseer word.

Magtiging om karkasse te merk

16. (1) Die Uitvoerende Beampte of die Gemagtigde wat kragtens artikel 2 (3) van die Wet met betrekking tot vleis aangewys is, kan 'n persoon magtig om 'n handeling ingevolge hierdie regulasies, uitgesonderd 'n handeling ingevolge regulasie 17 (4), te verrig.

(2) 'n Persoon in subregulasie (1) bedoel, kan self so 'n handeling verrig of dit deur iemand onder sy direkte toesig laat verrig.

(3) Slegs die Uitvoerende Beampte kan 'n magtiging kragtens subartikel (1) verleen, intrek.

Rolmerk van karkasse

17. (1) Elke bees-, skaap- of bokkarkas wat geklassifiseer is soos in hierdie regulasies beoog, moet oor die volle lengte van elke sy of kwart daarvan met 'n aanduiding van die ouderdomsklas, vetheidsklas en abattoir identifikasiekode van daardie karkas gerolmerk word.

(2) Elke kalfkarkas wat geklassifiseer is soos in hierdie regulasies beoog, moet oor die volle lengte van elke sy of kwart daarvan met 'n aanduiding van die ouderdomsklas en abattoir-identifikasiekode van daardie karkas gerolmerk word.

(3) The result of a calculation explained in subregulation (2) shall be rounded to the nearest 0,1 % before a carcass is classified. (3) Meat

Determination of conformation classification

13. The classification of a pig carcass in respect of conformation is performed according to the provisions of regulation 8.

Determination of damage classification

14. The classification of a pig carcass in respect of damage is performed according to the provisions of regulation 9.

MARKING OF CARCASSES

Stamp marks

15. (1) (a) Each carcass characteristic referred to in column 1 of Table 4 to which a class has been allocated in column 2 shall be marked on the carcass concerned, with a stamp mark as indicated in column 3 opposite that class.

(b) A stamp mark shall be applied in the colour of ink referred to in column 4 of the table opposite the stamp mark concerned and where applicable in the manner explained in column 5.

(2) (a) Each carcass of a bovine, sheep or goat shall be marked with an indication of the number of permanent incisors.

(b) The indication shall, in the case of—

(i) bovines, be marked with an indelible ink pencil on both sides of the atlas vertebra, or be stamped on the carcass with a stamp in green ink; and

(ii) sheep and goats, be stamped on the carcass with a stamp in green ink.

(3) (a) The carcass of a boar or of a barrow showing signs of late castration shall be identified with the stamp mark "M/D".

(b) The carcass of a ram or a bull which has been classified as Age class B or Age class C shall be identified with the stamp mark "M/D".

Authorization to mark carcasses

16. (1) The Executive Officer or the Assignee who has been designated with regard to meat in terms of section 2 (3) of the Act, may authorize a person to perform an action in terms of these regulations, excluding an action in terms of regulation 17 (4).

(2) A person contemplated in subregulation (1) may perform such an action personally or have it performed by someone under his direct supervision.

(3) The Executive Officer only may withdraw an authorization granted in terms of subregulation (1).

Rollermarking of carcasses

17. (1) Each bovine, sheep or goat carcass which has been classified as contemplated in these regulations, shall be rollermarked over the full length of each side or quarter thereof with an indication of the age class, fatness class and abattoir identification code of that carcass.

(2) Each calf carcass which has been classified as contemplated in these regulations, shall be rollermarked over the full length of each side or quarter thereof with an indication of the age class and abattoir identification code of that carcass.

(3) 'n Varkkarkas word nie gerolmerk nie.

(4) Die karkas van 'n kalf, bees, skaap of bok mag ook met 'n rolmerk wat uit die uitdrukking "HALAL" of "KOSHER" bestaan, gerolmerk word.

Samestelling van rolmerke

18. (1) 'n Rolmerk in regulasie 17 bedoel, moet, in die geval van die karkas van—

(a) 'n bees of skaap wat—

(i) as Ouderdomsklas A geklassifiseer is, met blou ink aangebring word;

(ii) as Ouderdomsklas B geklassifiseer is, met groen ink aangebring word; en

(iii) as Ouderdomsklas C geklassifiseer is, met rooi ink aangebring word;

(b) 'n bok, met oranje ink aangebring word; en

(c) 'n kalf, met bruin ink aangebring word.

(2) (a) Agt uit elke twaalf rye simbole in 'n rolmerk moet uit 'n aanduiding van die ouderdomsklas van die karkas in regulasie 6 uiteengesit, bestaan.

(b) Die ouderdomsklas moet in die geval van 'n karkas wat geklassifiseer is as—

(i) Ouderdomsklas A, uit die simbole "AAA" bestaan;

(ii) Ouderdomsklas B, uit die simbole "BBB" bestaan; en

(iii) Ouderdomsklas C, uit die simbole "CCC" bestaan.

(c) In die geval van die karkas van 'n kalf, moet tien uit elke twaalf rye simbole in 'n rolmerk afwisselend uit die simbole "KALF" en "CALF' bestaan.

(3) Twee uit elke twaalf rye simbole in 'n rolmerk moet uit die abattoir-identifikasiekode bestaan.

(4) (a) Met die uitsondering van die karkas van 'n kalf, moet twee uit elke twaalf rye simbole in die rolmerk van 'n karkas uit 'n aanduiding van die vetheidsklas in regulasie 7 uiteengesit, bestaan en sodanige aanduiding moet direk bokant die abattoir-identifikasiekode in die rolmerk verskyn.

(b) Die vetheidsklas word, in die geval van—

(i) Vetheidsklas 0, afwisselend deur die simbole "V0000" en "F0000" aangedui;

(ii) Vetheidsklas 1, afwisselend deur die simbole "V0101" en "F0101" aangedui;

(iii) Vetheidsklas 2, afwisselend deur die simbole "V0202" en "F0202" aangedui;

(iv) Vetheidsklas 3, afwisselend deur die simbole "V0303" en "F0303" aangedui;

(v) Vetheidsklas 4, afwisselend deur die simbole "V0404" en "F0404" aangedui;

(vi) Vetheidsklas 5, afwisselend deur die simbole "V0505" en "F0505" aangedui; en

(vii) Vetheidsklas 6, afwisselend deur die simbole "V0606" en "F0606" aangedui.

Beperkte besonderhede

19. (1) Geen merk, rolmerk of ander metode van begripsuitdrukking wat regstreeks of by implikasie 'n wanvoorstelling behels, mag op vleis of 'n karkas gemerk word nie.

(3) A pig carcass shall not be rollermarked.

(4) The carcass of a calf, bovine, sheep or goat may also be rollermarked with a rollermark which consists of the expression "HALAL" or "KOSHER". Meat (3)

Composition of rollermarks

18. (1) A rollermark contemplated in regulation 17 shall, in the case of the carcass of—

(a) a bovine or a sheep which has been classified as—

(i) Age class A, be applied with blue ink;

(ii) Age class B, be applied with green ink; and

(iii) Age class C, be applied with red ink;

(b) a goat, be applied with orange ink; and

(c) a calf, be applied with brown ink.

(2) (a) Eight out of every twelve rows of symbols in a rollermark shall consist of an indication of the age class explained in regulation 6.

(b) The age class shall, in the case of a carcass which has been classified as—

(i) Age class A, consist of the symbols "AAA";

(ii) Age class B, consist of the symbols "BBB"; and

(iii) Age class C, consist of the symbols "CCC".

(c) In the case of the carcass of a calf, ten out of each twelve rows of symbols in a rollermark shall consist of the alternating symbols "CALF" and "KALF".

(3) Two out of every twelve rows of symbols in a rollermark shall consist of the abattoir identification code.

(4) (a) With the exception of the carcass of a calf, two out of every twelve rows of symbols in the rollermark of a carcass shall consist of an indication of the fatness class explained in regulation 7 and such indication shall appear immediately above the abattoir identification code in the rollermark.

(b) The fatness class shall, in the case of—

(i) Fatness class 0, be indicated alternately by the symbols "V0000" and "F0000";

(ii) Fatness class 1, be indicated alternately by the symbols "V0101" and "F0101";

(iii) Fatness class 2, be indicated alternately by the symbols "V0202" and "F0202";

(iv) Fatness class 3, be indicated alternately by the symbols "V0303" and "F0303";

(v) Fatness class 4, be indicated alternately by the symbols "V0404" and "F0404";

(vi) Fatness class 5, be indicated alternately by the symbols "V0505" and "F0505"; and

(vii) Fatness class 6, be indicated alternately by the symbols "V0606" and "F0606".

Restricted particulars

19. (1) No mark, rollermark or other method of expression which directly or by implication constitutes a misrepresentation may be marked on meat or a carcass.

(2) Die woorde "super", "prima", "prime", "top", "keur", "choice", "kwaliteit", "quality", "ekstra", "extra" of "ultra" of enige ander woord of uitdrukking wat regstreeks of by implikasie die indruk skep of kan skep dat vleis of 'n karkas van 'n spesiale of bepaalde gehalte anders as 'n eienskap in hierdie regulasies bedoel is, mag nie op vleis gemerk of op 'n karkas gestempel word nie.

(3) Die bepalings van subregulasie (2) word nie so geïnterpreteer dat dit 'n handelsmerk of handelsnaam wat op vleis gemerk of vir identifikasiedoeleindes op 'n karkas gestempel is, insluit nie.

ALGEMEEN

Appèl

20. 'n Appèl in verband met die klassifisering van 'n karkas word op die wyse gedoen soos uiteengesit in artikel 10 van die Wet saamgelees met die regulasies kragtens artikel 15 van die Wet uitgevaardig.

Ondersoekgelde

21. 'n Persoon wat verlang dat die Uitvoerende Beampte of 'n Gemagtigde 'n karkas klassifiseer of die klassifisering van 'n karkas hersien, is aanspreeklik vir die betaling van die voorgeskrewe ondersoekgelde.

Strafbepaling

22. Iemand wat 'n bepaling van hierdie regulasies oortree of versuim om daaraan te voldoen, is aan 'n misdryf skuldig en by skuldigbevinding strafbaar met 'n boete van hoogstens R8 000 of met gevangenisstraf vir 'n tydperk van hoogstens twee jaar of met sowel daardie boete as daardie gevangenisstraf.

(2) The words "super", "prime", "prima", "top", "choice", "keur", "quality", "kwaliteit", "ekstra", "extra" or "ultra" or any other word or expression which directly or by implication creates or may create the impression that meat or a carcass is of a special or particular quality other than a characteristic referred to in these regulations, may not be marked on meat or stamped on a carcass.

(3) The provisions of subregulation (2) shall not be interpreted to include a trade mark or trade name which is marked on meat or stamped on a carcass for identification purposes.

3 Meat

GENERAL

Appeals

20. An appeal in respect of the classification of a carcass shall be conducted in the manner as set out in section 10 of the Act read in conjunction with the regulations published under section 15 of the Act.

Inspection fees

21. A person who wishes the Executive Officer or an Assignee to classify a carcass or to revise the classification of a carcass, is liable to pay the prescribed inspection fees.

Penalty clause

22. Any person who contravenes or fails to comply with the provisions of these regulations shall be guilty of an offence and upon conviction be liable to a fine not exceeding R8 000 or to imprisonment for a period not exceeding two years or to both such fine and such imprisonment.

TABEL 1 • TABLE 1

VETHEIDSKLASSIFIKASIE VAN BEES-, SKAAP- EN BOKKARKASSE

FATNESS CLASSIFICATION OF BOVINE, SHEEP AND GOAT CARCASSES

(Reg. 7)

Soort dier Kind of animal	Beskrywing van karkas ten opsigte van vetheid Description of carcass in respect of fatness	Vetheidsklas Fatness class	Dikte van onderhuidse vetlaag Thickness of subcutaneous fat layer (mm)
1	**2**	**3**	**4**
Bees/Bovine	Geen vet/No fat	0	Nul/Nil
	Brandmaer/Very lean	1	Minder as 1/Less than 1
	Maer/Lean	2	1–3
	Medium	3	Meer as 3 maar hoogstens 5/More than 3 but not more than 5
	Vet/Fat	4	Meer as 5 maar hoogstens 7/More than 5 but not more than 7
	Magtig oorvet/Slightly overfat	5	Meer as 7 maar hoogstens 10/More than 7 but not more than 10
	Uitermate oorvet/Excessively overfat	6	Meer as 10/More than 10
Skaap/Sheep	Geen vet/No fat	0	Nul/Nil
	Brandmaer/Very lean	1	Minder as 1/Less than 1
	Maer/Lean	2	1–4
	Medium	3	Meer as 4 maar hoogstens 7/More than 4 but not more than 7
	Vet/Fat	4	Meer as 7 maar hoogstens 9/More than 7 but not more than 9
	Matig oorvet/Slightly overfat	5	Meer as 9 maar hoogstens 11/More than 9 but not more than 11
	Uitermate oorvet/Excessively overfat	6	Meer as 11/More than 11

Soort dier Kind of animal	Beskrywing van karkas ten opsigte van vetheid Description of carcass in respect of fatness	Vetheidsklas Fatness class	Dikte van onderhuidse vetlaag Thickness of subcutaneous fat layer (mm)
1	2	3	4
Bok/Goat	Geen vet/No fat	0	Nul/Nil
	Brandmaer/Very lean	1	*
	Maer/Lean	2	*
	Medium	3	*
	Vet/Fat	4	*
	Matig oorvet/Slightly overfat	5	*
	Uitermate oorvet/Excessively overfat	6	*

* Nie gespesifiseer/Not specified.

3 Meat

TABEL 2 • TABLE 2

BOUVORMKLASSIFIKASIE VAN BEES-, SKAAP-, BOK- EN VARKKARKASSE
CONFORMATION CLASSIFICATION OF BOVINE, SHEEP, GOAT AND PIG CARCASSES

(Reg. 8)

Soort dier Kind of animal	Beskrywing van karkas ten opsigte van bouvorm Description of carcass in respect of conformation	Bouvormklas Conformation class
1	2	3
Alle spesies/All species..	Baie plat/Very flat	1
	Plat/Flat..	2
	Medium	3
	Rond/Round..	4
	Baie rond/Very round	5

TABEL 3 • TABLE 3

KLASSE VIR VARKKARKASSE • CLASSES FOR PORK CARCASSES

(Reg. 11)

Klas/Class	Berekende persentasie vleis van karkas† Calculated percentage meat of carcass†
1	2
Speenvark/Sucking pig.....................	*
P	70,1 en meer/70,1 and more
O	Minstens 68,1 maar nie meer as 70,0/At least 68,1 but not more than 70,0
R	Minstens 66,1 maar nie meer as 68,0/At least 66,1 but not more than 68,0
C	Minstens 64,1 maar nie meer as 66,0/At least 64,1 but not more than 66,0
U	Minstens 62,1 maar nie meer as 64,0/At least 62,1 but not more than 64,0
S	62,0 en minder/62,0 and less
Worsvark/Sausage pig	*

* Nie gespesifiseer/Not specified.
† Met inagneming van regulasie 12 (3)/With due regard to regulation 12 (3).

TABEL 4 • TABLE 4

STEMPELMERKE • STAMP MARKS

(Reg. 15)

Karkaseienskap Carcass characteristic	Klas Class	Stempelmerk Stamp mark	Kleur van ink Colour of ink	Wyse van bestempeling Method of stamping
1	2	3	4	5
Kalf/Calf .... [Reg. 5 (2)]	Kalf/Calf....................	A	Bruin/Brown..............	Met 'n dubbelafdruk van die stempelmerk/With a double impression of the stamp mark

Karkaseienskap Carcass characteristic	Klas Class	Stempelmerk Stamp mark	Kleur van ink Colour of ink	Wyse van bestempeling Method of stamping
1	2	3	4	5
Ouderdom (bees, skaap, bok)/ Age (bovine, sheep, goat) [Reg. 6]	A B C	A B C	Blou/Blue.................. Groen/Green .... Rooi/Red	— — —
Vetheid (bees, skaap, bok)/ Fatness (bovine, sheep, goat) [Reg. 7]	0 1 2 3 4 5 6	0 1 2 3 4 5 6	Blou/Blue.................. Blou/Blue Blou/Blue Blou/Blue Blou/Blue Blou/Blue Blou/Blue	In die geval van 'n skaapkarkas met 'n vetstert met 'n dubbelafdruk van die stempelmerk/In the case of a sheep carcass with a fat tail with a double impression of the stamp mark
Bouvorm (alle spesies)/Conformation (all species) [Reg. 8 en/and 13]	1 2 3 4 5	1 2 3 4 5	Groen/Green .... Groen/Green .... Groen/Green .... Groen/Green .... Groen/Green	— — — — —
Beskadiging (alle spesies)/ Damage (all species) [Reg. 9 en/and 14]	0 1 2 3	* 1 2 3	— Bruin/Brown Rooi/Red Swart/Black	Word so aangebring dat dit die beskadigingsgebied aandui/Shall be stamped in such a way as to indicate the damaged area
Manlikheid/Masculinity (alle spesies)/(all species) [Reg. 15 (3)]	Manlik/Male	M/D	Swart/Black	—
Speenvark/Sucking pig .... [Reg. 11 (1)]	Speenvark/Sucking pig	S	Blou/Blue..................	Op voorkop/On forehead
Persentasie vleis (varke)/Percentage meat (pigs) [Reg. 11 (2)]	P O R C U S	P O R C U S	Blou/Blue.................. Blou/Blue.................. Blou/Blue.................. Blou/Blue.................. Blou/Blue.................. Blou/Blue..................	— — — — — —
Worsvark/Sausage pig............ [Reg. 11 (3)]	Worsvark/Sausage pig	W	Blou/Blue..................	Een stempelafdruk op elke boud/One stamp mark on each buttock

* Geen stempelmerk/No stamp mark.

DEPARTEMENT VAN MANNEKRAG

No. R. 1704 **26 Junie 1992**

WET OP ARBEIDSVERHOUDINGE, 1956

MEUBELNYWERHEID, GRENS: WYSIGING VAN SIEKTEBYSTANDSVERENIGINGSOOREENKOMS

Ek, Glen Morris Edwin Carelse, Adjunkminister van Mannekrag, verklaar hierby—

(a) kragtens artikel 48 (1) (a) van die Wet op Arbeidsverhoudinge, 1956, dat die bepalings van die Ooreenkoms (hierna die Wysigingsooreenkoms genoem) wat in die Bylae hiervan verskyn en betrekking het op die Onderneming, Nywerheid, Bedryf of Beroep in die opskrif by hierdie kennisgewing vermeld, met ingang van die tweede Maandag na die datum van publikasie van hierdie kennisgewing en vir die tydperk

DEPARTMENT OF MANPOWER

No. R. 1704 **26 June 1992**

LABOUR RELATIONS ACT, 1956

FURNITURE INDUSTRY, BORDER: AMENDMENT OF SICK BENEFIT SOCIETY AGREEMENT

I, Glen Morris Edwin Carelse, Deputy Minister of Manpower, hereby—

(a) in terms of section 48 (1) (a) of the Labour Relations Act, 1956, declare that the provisions of the Agreement (hereinafter referred to as the Amending Agreement) which appears in the Schedule hereto and which relates to the Undertaking, Industry, Trade or Occupation referred to in the heading to this notice, shall be binding, with effect from the second Monday after the

Farmers defy Meat Board 'in anticipation of deregulation'

Bday 30/6/92

(3) meat

GERALD REILLY

PRETORIA — The Organisation of Livestock Producers' plan to distribute meat from non-controlled areas in Randburg today in defiance of Meat Board regulations was probably launched in anticipation of upcoming changes to the meat scheme, Red Meat Producers' Organisation manager Jan van der Walt said yesterday.

The organisation will sell meat at Meat City in Randburg and, it is claimed, offer consumers up to 50% savings.

Yesterday Meat Board GM Pieter Coetzee declined to comment until the issue had been throughly investigated.

Van der Walt said recommendations on deregulation of the meat scheme had been accepted by Cabinet earlier this year.

However, delays in getting amendments to the scheme through Parliament had meant a postponement of today's deadline for their introduction.

The recommendations would virtually free the movement of meat and eliminate controlled and non-controlled borders.

It was expected the issue would be dealt with during the short session of Parliament later this year.

When this happened virtually the only remaining control would be that exercised by municipal and other health authorities to ensure meat was free of contamination.

He added it appeared the Organisation of Livestock Producers was merely anticipating the intended deregulation.

Van der Walt said virtually the only statutory power which the Meat Board would retain after deregulation would be its authority to fix floor prices and remove surpluses.

Livestock rebels plan sale to challenge Meat Board's grip on market

B'Day 29/6/92

(3) Meat

MEREDITH JENSEN

CONSUMERS could save as much as 50% on meat purchases in Randburg tomorrow when the Organisation of Livestock Producers distributes meat from a non-controlled area.

In a challenge to the Meat Board and its marketing system, the producers plan to sell their meat in a controlled area without complying with board regulations.

They will sell the meat at Meat City in Randburg under the auspices of the SPCA.

"Because we are fund raising for the SPCA, we are excluded from certain regulations of the meat scheme," organisation chairman Nils Dittmer said yesterday.

The SPCA would receive 5% of the total turnover from Tuesday's sale.

"We are in this together as a way to protest against the high cost of long-distance transport of livestock and the consequent inhumane treatment of animals," Dittmer said.

The Organisation of Livestock Producers hoped to show consumers just how much the regulations added to the price of meat. It would distribute the meat in co-operation with the SPCA and the Sunnyside Group, an organisation involved with the promotion of small businesses.

Meat Board spokesmen could not be reached for comment yesterday.

Dittmer said his organisation would offer nearly two tons of meat to the public at between 40% and 50% less than supermarket prices, and still make a profit.

Prime cuts including rump, T-bone and topside would sell for R9,50/kg, while mincemeat and sausages would cost R5,50/kg. Comparative costs in Reef supermarkets averaged R20/kg and R11/kg respectively.

"We are not providing the same service as a supermarket, and may not make the same profit that a supermarket does."

If the sale was done through the proper channels, Dittmer would be obliged to obtain a permit from the Meat Board to bring his animals into the controlled area, and the animals would have had to be slaughtered at a Meat Board-approved abattoir like City Deep in Johannesburg.

The fees, levies and commissions involved would have amounted to close on 20% of the value of a carcass. The organisation would save nearly 50% on transport costs by transporting meat rather than livestock from the northern Cape to Johannesburg, he said.

"It would be virtually impossible for me to sell my meat through these channels. The costs incurred would prohibit me from selling it at the prices we intend asking on Tuesday," Dittmer said.

The meat, which is guaranteed by the organisation, has a stamp of approval from a Health Department inspector.

The animals were slaughtered at an approved abattoir in Vryburg.

Improved meat grading system launched

By Helen Grange
Pretoria Bureau (3) Meat

Consumers who find the current meat grading system impossible to fathom, and consequently never know whether the meat they are buying is tough or tender, are in for a pleasant surprise tomorrow.

This is when a new, more user-friendly classification system for beef, mutton and goat meat will be introduced to help consumers make choices.

With the new clasification system, tenderness, indicated with a colour-coded A, B or C roller-mark, is the only quality communicated to the consumer.

A blue AAA roller-mark on beef, lamb and mutton will mean the animal is young and the meat tender. A green BBB roller-mark will mean the animal is mature, less tender but flavoursome. And a red CCC roller-mark will indicate that the animal is older and the meat tougher.

Goat meat will be roller-marked in orange.

Unlike the old grading system, coded information on the fat of the meat will not be given, leaving the consumer to use his or her own visual commonsense.

For the meat trader and the meat producer, the new classification system will provide more information by means of alphabetical letters or numbers describing carcass mass, fatness, damage, sex and confirmation (shape of animal).

Meat prices are not affected by the new classification.

STAR 30/6/92

Producers offer bargains on beef

Reef housewives have been offered a one-day half-price meat bonanza in Windsor Glen, Randburg, today.

Launched by the Organisation of Livestock Producers to challenge high meat prices, Meat City manager Johnny Wall confirmed that 2 tons of beef would go on sale from 7 am.

Meat Board general manager Dr P H Coetzee denied OLP claims that meat prices were inflated because of the Meat Board's marketing system.

Because the beef was being sold as a fund-raising project for the SPCA, the sale was perfectly legal, he added. — Staff Reporter.

Shoppers snap up cut-price meat

STAR 1/7/92 (3) Meat

Staff Reporters

Scores of Randburg residents yesterday scrambled for a share of 2 tons of half-price meat sold by northern Cape farmers to prove that meat could be affordable if the Meat Board were bypassed.

The throng of shoppers could not wait for the meat to be unloaded, and transferred the ungraded cuts straight from the refrigeration trucks into their trolleys — the prime cuts sold out in 20 minutes.

Meat Board senior general manager Dr Pieter Coetzee said the sale, by the Organisation of Livestock Producers (OLP), was being investigated and warned consumers that they could not be sure of the quality of the cheap meat.

When asked why Meat Board officials had not taken any action, he replied that by the time they arrived at Windsor Glen Meat City, all the meat had been sold.

Shoppers said they trusted the motives of the OLP and were pleased with the low prices.

OLP chairman Nils Dittmer assured that the cattle had been correctly slaughtered at Vryburg abattoir in the northern Cape.

The OLP wanted butchers and traders to have the right to negotiate directly with producers on farms and be able to slaughter animals at an abattoir of their choice, as well as be able to sell to any consumer according to preference.

"The people who bought the meat in Randburg obviously didn't feel they wanted grading. We are against grading because there is more variation within the grades than between them."

Mr Dittmer said he was also against the cruel long-distance transportation of cattle. It also brought down the quality of the meat. This could be avoided if cattle could be slaughtered closer to their farms of origin, he said.

"It's easier and cheaper to transport frozen carcasses than live cattle."

The OLP wanted to show that meat could be sold more cheaply without the high cost of levies and intervention, he said.

The exercise made only a small profit of about R1 000, which would go to the Pretoria SPCA, he added.

● The SPCA, reacting to a report that a portion of the proceeds of the meat sale would go to the organisation, yesterday denied any involvement.

SPCA chief executive officer Marcelle Meredith said the entire matter was a mystery to her.

Mrs Meredith said: "I contacted the hygiene officer at the abattoir in Vryburg where the cattle were supposed to be slaughtered, and he knew nothing about it.

"We don't know where the meat came from or where it was stored. We have just reached a blank wall."

Dr Coetzee earlier said that since the beef was being sold as a fund-raising project for charity — ostensibly the SPCA — the sale was considered legal.

Mr Dittmer said R1 000 would be going to the Pretoria SPCA, since the sale of meat was originally planned to take place in Pretoria.

Meat Board drops prices

(3) Meat

THE Meat Board has entered the meat price foray and announced a "special" for consumers on surplus meat.

But Abacor, the abattoir corporation, has slapped a 10 percent increase on its levies.

The Meat Board's massive stock of frozen meat is being offered to retailers at below floor price on condition they mark it up by no more than 10 percent.

But consumers may not benefit from this reduction because wholesalers and retailers will pay 10 percent more in levies to Abacor on handling, loading and cold storage fees from July 13. Sowetan 3/7/92

Abacor's increases will also affect farmers, who will be

Sowetan Correspondent

paying more for slaughtering services at controlled abattoirs which are part of the corporation.

"This means we should charge customers more for meat to cover our costs, but if we can absorb this increase we will do so," a retailer said yesterday.

Dr Pieter Coetzee, senior general manager of the Meat Board, said the board's decision to offer surplus meat to retailers at below floor price was "nothing new".

He said this was done every time a big surplus has occurred since 1990.

Half-price meat — to make point

③ MEAT CT 2/7/92

Johannesburg Bureau

A GROUP of about 500 stock farmers believed meat could be sold far cheaper than at present prices — if the high cost of levies imposed by the Meat Board was removed, a spokesman for the group said yesterday.

To demonstrate their point the Organisation of Livestock Producers (OLP) sold two tons of meat at half-price at a Randburg butchery on Tuesday. Scores of consumers snapped up the meat in 15 minutes.

Mr Sandy Speedy, an executive committee member of the OLP, said his organisation had no plans to repeat the sale, and that it was intended as a one-off exercise publicly to challenge the regulations and marketing system of the Meat Board.

Meat Board senior general manager Dr Pieter Coetzee said yesterday his organisation was viewing the demonstration in a serious light and the actions of the OLP were being investigated.

Cheaper meat but higher tariffs

STAR 3/7/92. (3) meat

Pretoria Correspondent

The Meat Board has announced a surplus-meat "special" for consumers — but abattoir corporation Abacor has slapped a 10 percent increase on abattoir tariffs.

The Meat Board's large stock of frozen meat is being offered to meat retailers at below floor price, provided there is a mark-up of not more than 10 percent.

But consumers may benefit less from this reduction because, from July 13, wholesalers and retailers will pay Abacor 10 percent more for the handling, loading and cold storage of meat.

Abacor's tariff increase will also affect farmers, who will be paying more for slaughtering.

A Lynnwood meat retailer said yesterday: "This means we should charge customers more for meat to cover our costs, but if we can absorb this we will do so."

Meat Board senior general manager Dr Pieter Coetzee said the board's offer was "nothing new".

"We have done this every time a big surplus has occurred since the beginning of 1990 in a drive to provide consumers with less costly meat and reduce our surplus frozen stock," he said.

Dr Coetzee said the board could not provide the public with a list of outlets for cheaper stock, but he urged consumers to compare meat prices for themselves.

He said the public seemed unaware that they could bypass retailers by bidding and buying directly from abattoirs. However, new buyers had to be listed with abattoirs before they could bid. Experienced buyers could also push up prices.

Abacor managing director Frans van der Vyver said the increase in abattoir tariffs meant an increase of less than 1c/kg for the butcher. "It is for him to decide how and whether the increase will affect the consumer."

The effect on producers will be an increase of about 2c/kg, he said.

"Abacor's tariff increases are below the inflation rate and should have little or no effect on the consumer," he said.

Farmers set to continue their campaign with meat bargains

(3) Meat

GERALD REILLY

THE Organisation of Livestock Producers would continue its campaign to sell meat from controlled areas should this be necessary to highlight the need for swift deregulation of the industry, executive member Sandy Speedy said yesterday.

He said last week's sell-off of two tons of beef at bargain prices in Randburg was a demonstration of the frustration felt by many cattle farmers.

He said farmers were confused about the role the Meat Board would play in future.

His organisation had reason to believe the board had recommended to Agriculture Minister Kraai van Niekerk that it retain most of its statutory powers.

"On the other hand, we are told the only powers that will be retained by the board, when deregulation measures are introduced, is the right to determine floor prices and lift surpluses from markets," he said.

Red Meat Producers' Organisation GM Gerhard Schutte said the Organisation of Livestock Producers was a relatively small organisation. More than 80% of producers were members of the Red Meat Producers' Organisation, the meat wing of the SAAU.

He said the Randburg demonstration was aimed at the Meat Board. But the board was not responsible for the present high meat prices.

High prices had to be laid at the door of the trade, he said.

Meanwhile, the Meat Board has made available to the trade at the floor price cuts of beef from its overfull storage space on condition that the markup does not exceed 10%."

Board GM Pieter Coetzee said this was normal practice and was in no way provoked by the Randburg selloff.

☐ Sapa reports that the Abattoir Corporation (Abacor) confirmed yesterday a 10% increase in abattoir tariffs.

However, Abacor MD Frans van der Vyfer said this should have little or no impact on consumers.

He said the approximate effect of the increase on the producer would be 2c/kg.

"Since the effect of this increase means a rise of less than 1c/kg to the butcher, it is for him to decide if he will absorb the increase ... or if it will affect the consumer," Van der Vyfer said.

Cape Times, Friday, July 3 1992 7

Meat Board hits back — 'hygiene' concern

(3) MEAT CT 3/7/92

THE Meat Board yesterday hit back at a proposal by an organisation of stock farmers to deregulate the meat industry, saying such a move would lower hygiene control and possibly endanger the lives of consumers.

The Organisation of Livestock Producers (OLP), which claims to represent about 500 stock farmers, is challenging the board's functions of regulating the slaughtering of animals, grading of meat, the fixing of a minimum price and marketing of meat.

The Meat Board finances these functions by charging farmers a fee of about R6 per animal slaughtered.

The OLP believes that without the present regulations the meat industry would become more market-orientated, allowing a wider variation of the quality of the meat and the quality of its processing, which would translate into a wider range of prices expected to accommodate most consumers.

The OLP proposal for a revamp of the industry included the following main points:

- Scrapping of the grading system of meat, claiming there was more variation within the grades than between them.
- Allow butchers and traders to negotiate directly with producers on farms and be able to slaughter animals at an abattoir of their choice. Under the present system the Meat Board allocates the abattoir where a farmer can slaughter his cattle.
- Allow farmers to transport chilled animal carcasses to metropolitan areas rather than live animals. The OLP claims that the present system, which requires farmers to transport live animals to a metropolitan area and have them slaughtered there, places the animals under stress and reduces the quality of the meat.
- Allow local authorities to determine the hygiene standards at abattoirs in their area, a task at present undertaken by various departments in the Department of Agriculture.

Meat Board senior general manager Dr Pieter Coetzee yesterday rejected the proposals, saying they would eliminate hygiene control over the meat and could result in diseased meat reaching the consumer.

"The consumers will not know what they are buying (without the present grading system)."

He also said the Meat Board's policy of setting a minimum price and buying, processing and storing surplus meat assured the farmers that their meat would be sold and ensured meat was available during shortages.

Dr Coetzee said the Meat Board was investigating the OLP's selling of two tons of meat on Tuesday at between 40% and 60% of its normal price at a Randburg butchery.

OLP executive member Mr Sandy Speedy said his organisation had no plans to repeat the sale, and that it was intended as a one-off to challenge publicly the regulations and marketing system of the Meat Board.

Sowetan 8/7/92

(3) Meat

Zimbabwe imports

HARARE - Zimbabwe's Cold Storage Commission has exported about 50 tons of beef to South Africa to test the market. Official comment from the parastatal meat marketing company could not be obtained.

There are some good reasons for tight slaughter control, writes **Peter Davis**

Chaos if we close, says Meat Board

STAR 6/7/92 (3) meat

IT took a mere 10 minutes or less for the Organisation of Livestock Producers to sell their meat directly to Randburg consumers at prices 40 percent less than retail. But it was a great show that showed nothing.

What the tiny Livestock Producers Organisation was trying to prove is that the farmer could sell his meat directly to the consumer at half prices. True — and untrue.

The meat sold was ungraded which meant the consumer was unable to tell before cooking it whether the meat was young or had come from an old bull, leaving that strange wild taste. The hygiene of the meat was also not guaranteed, but perhaps standards are too high anyway.

But why this act of defiance against the Meat Board now?

It was another severe drought way back in 1934 that also had farmers on their knees, selling off their breeding stock in order to survive. At the old abattoir in Johannesburg more than 100 railtruck loads of animals started arriving much to the consternation of the slaughterhouse staff.

In one day there was enough for three weeks' slaughter at a time when refrigeration was crude.

Farmers lost heavily that day. Consequently, it was decided to form a small committee that would regulate the number of animals processed through the Johannesburg abattoir. This job was extended to other abattoirs after the Marketing Act was passed by Parliament in 1937 and during World War 2, when food prices were pegged, it was the Meat Board that was able to ensure that sufficient meat was available for the war effort and those at home and ensure that the farmer was able to survive.

By the early '70s, the Meat Board was controlling the flow of carcasses in abattoirs as well as grading and auctioning.

But, along with the rest of the country, this is changing. Today, of the 320 abattoirs in the country, the Meat Board has control of 11 of the biggest and in these it is beginning to shed some of its duties, dropping the idea of "controlled areas", giving responsibility of animal flow to the abattoir owners or livestock producers to sell to anyone at any price, subject only to health regulations.

Nevertheless the Meat Board believes it has a definite future. According to senior general manager Dr Pieter Coetzee, the Meat Board has two major functions: guaranteeing farmers are paid a minimum price for their slaughter animals in order to keep them in business, and continuing to grade to assure the consumer that he gets the quality he pays for.

"It is essential for the future that meat producers stay in business. We have worked out a minimum price that allows for this and this price we guarantee. When meat is plentiful we store it and release it in times of drought — the sort of times we face now.

"If we shut shop tomorrow, there would be chaos in the market. The drought is forcing producers to sell more than they would normally, neither the market nor the abattoirs would be able to absorb the excess and there would be scenes that happen in Australia where you take the stock out, shoot it and bury the carcass. That sort of scene we do not want to see in this country," Dr Coetzee added. □

Zimbabwe beef for SA

ZIMBABWE's Cold Storage Commission has exported about 50 tons of beef to SA to test the market for the resumption of beef exports. Beef industry sources said the consignment included high quality and processing beef.

Commission officials visited SA last year to begin negotiations with the SA Meat Board over quotas of Zimbabwean beef.

But hopes for a quick re-entry were dashed by increased slaughterings in SA in the wake of the drought.

3 Meat

B/Day 8/7/92

BUSINESS DAY, Friday, July 10 1992

Abacor almost ready for privatisation move

B1044 10/7/92

GERALD REILLY

PRETORIA — Preparations for Abacor's privatisation were almost complete, chairman Fanie van Rensburg said yesterday.

He said the corporation's value would be determined within a month. Indications were shares would be available at R1 each, with the extent of the issue depending on the corporation's gross value.

Shares would be available on a priority basis — 45% to producers, 30% to the trade, 20% to the private sector and 5% to Abacor personnel.

Abacor manages and operates 11 of SA's largest abattoirs, providing meat for more than 15-million people.

Van Rensburg said the corporation had been managed and operated commercially for some time. Privatisation would, therefore, not necessitate special adjustments.

Abacor was not blinded by the short term agricultural economical and political circumstances of the country.

"We canot sit around waiting for things to happen," van Rensburg said.

He said there was a growing need for high quality meat in SA and the industry's future looked bright. Abacor was a leader in Africa, especially southern Africa, and had the facilities and ability to provide for SA's needs.

The privatisation move came from Abacor itself.

Abacor MD Frans van der Vyver said the organisation was eager to compete in the open market. Its standards were high and complied with consumer demands.

Shares not sold would be made available to the public.

(3) Meat

Van der Vyver said most of the groundwork for privatisation had been completed. An application for a JSE quotation would be made after the final valuation.

A Rand Merchant Bank spokesman said the final valuation before issue would be completed just before registration.

Meanwhile, red meat producers are divided over the merits of privatising Abacor. The Red Meat Producers Organisation (RPO) has welcomed it, but the Organisation of Livestock Producers (OLP) claimed it was an attempt by Abacor to retain its tight grip on the industry.

RPO chairman Gerhard Bronn said the move would lead to greater competition in the industry, which would ensure a better deal for producers and consumers.

He advised producers to take up their shares in Abacor, as this would give them a more effective say in the industry's administration and decision-making.

OLP executive member Sandy Speedy said the entire privatisation operation was "back to front". The industry should have been deregulated before it was privatised.

OLP believed each of the 11 abattoirs controlled by Abacor should be allowed to function independently.

Speedy said allocation of 30% of shares in Abacor to the trade would mean the big three meat distributors — ICS, Vleissentraal and Kanhym — would continue to dominate the industry.

STAR 10/7/92

Abacor to seek listing

Finance Staff (3) Meat

State owned Abacor, which manages 11 of SA's largest abattoirs, will soon apply to the Johannesburg Stock Exchange for a listing.

At a news conference yesterday Abacor chairman Dr Fanie van Rensburg said a prospectus would be available by December after a final audit of the group's results for the year to end June 1992. The audit would establish the final value of Abacor.

Dr van Rensburg said Abacor had been managed and operated commercially for a considerable time and privatisation would therefore demand no special adjustments in its management and operations.

The shares would be made available on the following basis: 45 percent to producers, 30 percent to the trade, 20 percent to the private sector and five percent to Abacor personnel. Unsold shares will be offered to public.

Dr van Rensburg said that Abacor was aiming to sell the shares at 100c each.

Despite the current economic problems, particularly in the agricultural sector, the future of the meat industry looked extremely encouraging, he added.

Big 3 still set to get prime cut

THE 11 giant State-owned abattoirs are to be privatised later this year, the Abattoir Corporation announced this week. Deregulation of the Meat Industry is also due to be ushered in soon. But will anything change or are our old butchers simply donning new aprons? BRENDAN TEMPLETON investigates. STAR 11/7/92 (3) Meat

A BLOODY battle is looming in the meat industry over the pending privatisation of State-owned abattoirs and the deregulation of the sector.

Independent farmers fear new proposed ground rules have been drawn up by a powerful clique in the Meat Board which are skewed against smaller businessmen and which will leave consumers high and dry.

The chairman of the independent Organisation of Livestock Producers (OLP), Nils Dittmer, claims the new rules will amount to re-regulation in another guise. He has already drawn first blood — he deliberately disobeyed Meat Board regulations last week by bringing 2 tons of carcasses from Vryburg and selling them in Randburg.

Swashbuckling

His swashbuckling tactics had the support of the local consumers — who gobbled up his stock inside three hours.

The OLP's major fear is that the 11 abattoirs of Abacor, which handle 41 percent of meat slaughtered in South Africa, will fall into the hands of the Big Three — Imperial Cold Storage, Kanhym and giant co-op Vleissentraal — or will be used to protect the Big Three's hold on slaughtering in city centres.

But officials at the Meat Board and the State-owned Abattoir Corporation (Abacor) are adamant that the new regulations, when they come into effect, are for the benefit of the industry as a whole.

No one will be allowed to buy more than 10 percent of the shares available, they say. Shares have been divided up so that meat producers will be able to buy 45 percent, traders 30 percent, the public 20 percent and Abacor personnel 5 percent.

If a company or organisation buys 10 percent of shares available, then any of its subsidiaries or businesses in which it has even a minority share cannot enter into the scheme.

But the arguments are not giving reassurance to the independents, who point fingers at the incestuous relationship between the board and the Big Three — 11 of the board's 13 representatives have direct links with the Big Three and independents claim this means that any regulations drawn up by the board will inevitably favour the large companies.

The Meat Board has decided that privatisation is to take place simultaneously with deregulation, but it is still holding exact details of changes close to its chest.

Independents claim this means that people are being asked to buy Abacor shares in the dark, without knowing what the exact ground-rules are going to be.

Abacor and Meat Board chairman Dr Fanie van Rensburg deny this, saying details have been discussed widely in the industry.

The OLP, which represents more than 500 independent farmers, believes the Big Three will continue to dominate the industry because small abattoirs or farmers will still not be able to legally bring slaughtered meat into the cities. In effect, the present system, which differentiates between controlled and uncontrolled areas, will remain.

The OLP is fighting for a system which is based solely on supply and demand — farmers being allowed to sell their slaughtered meat anywhere, without restrictions.

According to Van Rensburg, class 1 and 2 abattoirs will continue to be the only ones allowed to move slaughtered meat to other areas. This is necessary due to health reasons — these abattoirs have to maintain certain standards of hygiene, he says.

But the OLP believes most of these expensive standards are unnecessary and are really intended to prevent smaller abattoirs moving meat to the urban centres and undermining the class 1 and 2 abattoirs' market.

All Abacor abattoirs are class 1, and the Big Three control between 70 and 80 percent of the class 2 abattoirs, according to a study by Willie Lubbe, a university lecturer in agricultural economics. He agrees that the old order will not disappear when the "new" is ushered in, unless every participant in the red meat industry is placed on an equal, competitive basis.

Under the new system, the OLP members fear they will still be held in a stranglehold by the agency system, which is dominated by the Big Three.

Van Rensburg says the agency system will come to play a far more important and pivotal role under the new system. Agents, organising sales between abattoirs and farmers, will be the ones determining the volume of supply.

Control

But Lubbe's study shows that the Big Three control between 84 and 91 percent of the recognised agencies nationwide. This means that farmers will still be stuck with control by the Big Three.

Van Rensburg says this will not be the case — farmers will not have to sell through agents under the new system. They could sell their livestock direct to a supermarket, which could then approach an abattoir.

Anyone could act as an agent, as well, he adds.

But it is unlikely that the requirements set by abattoirs, especially the Abacor and class 2 ones, to become recognised agents will change under the new system.

Dittmer points out that anyone can become an agent, but that does not mean he will be able to function as one if abattoirs are not willing to deal with him.

Muscle from meadow to butchery counter

STAR 11/7/92

BRENDAN TEMPLETON

IS THE Meat Board dominated by the Big Three? A glance through the 13 representatives on the board would tend to confirm such an accusation.

Eleven of the representatives on the board have direct connections with the Big Three — Vleissentraal, Kanhym and Imperial Cold Storage.

Seven of the representatives are either directors or former directors of Vleissentraal, or are directors of its co-op affiliates.

Three are from Imperial Cold Storage or its associate companies and one is a former Kanhym senior manager.

That leaves the obligatory consumer representative, a co-opted member with no voting power on the board representing retail butchers in controlled areas and a director of Abacor — the State-controlled abattoir corporation. (3) Meat

Meat Board chairman Dr Fanie van Rensburg is also chairman of Abacor, the Board's Hides and Skins Committee, and the Hides and Skins Curers' Association. He was formerly senior general manager of Vleissentraal, chairman of the South African Agricultural Union and chairman of the powerful Red Meat Producers' Organisation, which is recognised by Agriculture Minister Dr Kraai van Niekerk as the representative body in South Africa.

Meat Board senior general manager Dr Pieter Coetzee claims the board functions in an impartial manner and in the interests of the industry as a whole.

He believes the strength of the Big Three is exaggerated in the meat industry. They make up for only 14 percent of meat purchases nationwide, he says.

But critics point out that the Big Three's strength lies in their diversity — they are big producers, big livestock agents, own big abattoirs, are big meat processors and big retailers — which gives them hefty, nationwide muscle all the way from the meadow through to the butcher counter.

A Cape Supreme Court judge recently found that the Milk Board, which was dominated "without exception" for more than six years by four companies, had overruled the interests of smaller players.

The question left hanging in the light of the Meat Board membership is whether the same thing is happening in the meat industry.

Certainly, the possibilities and opportunities are there.

TOO MANY CHIEFS: Will deregulation of the meat industry simply mean control by the same men wearing different *hats?*

Independent abattoir may get the chop

(3) Meat STAR 11/7/92

BRENDAN TEMPLETON

THE only abattoir still operating independently of Abacor and the Big Three in a major urban area is likely to fall into the State corporation's hands soon.

Cape Town's city council decided last week to sell the Maitland Abattoir after a lengthy battle with the Meat Board and workers.

The Meat Board had threatened in a recent memo to relocate animals destined for Maitland to other surrounding abattoirs because the council was "standing in the way" of its deregulation proposals.

Relocation would take place if the council did not sell to Abacor or take over the board's administrative functions by this month, the memo said.

Deadline

The threat was made even though the deregulation proposals are still under review by Agricultural Minister Dr Kraai van Niekerk.

Last week's decision to sell came hours before the Meat Board deadline was to expire.

Meat industry insiders viewed the Meat Board's threat as a desperate attempt by the board and the Red Meat Producers' Organisation to prevent any loopholes appearing in its aim of securing continued control of the meat industry after deregulation.

Workers felt they had not been consulted and believed it would not be in the interests of consumers or the community to sell council assets into a monopoly situation.

Confirming the decision to sell the abattoir, council administrator Gys Hofmeyer denied that councillors had given in to pressure but admitted: "The approach by the Meat Board had put some urgency on the council to sell."

REPUBLIEK VAN SUID-AFRIKA

REPUBLIC OF SOUTH AFRICA

Staatskoerant
Government Gazette

R1,00 Prys • Price
R0,10 Plus 10% BTW • VAT
R1,10 Verkoopprys • Selling price
Buitelands **R1,40** Other countries
Posvry • Post free

Regulasiekoerant
Regulation Gazette
No. 4900

Vol. 325 PRETORIA, 13 JULIE / JULY 1992 No. 14163

GOEWERMENTSKENNISGEWING

DEPARTEMENT VAN LANDBOU

No. R. 2034 **13 Julie 1992**

WET OP ABATTOIRHIGIËNE, 1992
(WET No. 121 VAN 1992)

DIERSOORTE WAAROP WET VAN TOEPASSING IS

Ek, André Isak van Niekerk, Minister van Landbou, handelende kragtens artikel 24, gelees met die woordomskrywing van "dier" in artikel 1 van die Wet op Abattoirhigiëne, 1992 (Wet No. 121 van 1992), skryf hierby voor—

(a) ten opsigte van die Republiek, diere van die soorte in Tabel 1 vermeld; en

(b) ten opsigte van die Nasionale Krugerwildtuin, diere van die soorte in Tabel 2 vermeld,

vir doeleindes van daardie Wet.

A. I. VAN NIEKERK,
Minister van Landbou.

TABEL 1

DIERSOORTE
Bees
Bok
Donkie
Duif
Eend
Fisant
Gans
Hoender
Kalkoen
Konyn

GOVERNMENT NOTICE

DEPARTMENT OF AGRICULTURE

No. R. 2034 (3) meat **13 July 1992**

ABATTOIR HYGIENE ACT, 1992
(ACT No. 121 OF 1992)

KINDS OF ANIMALS TO WHICH ACT SHALL APPLY

I, André Isak van Niekerk, Minister of Agriculture, acting under section 24, read with the definition of "animal" in section 1 of the Abattoir Hygiene Act, 1992 (Act No. 121 of 1992), hereby prescribe—

(a) in respect of the Republic, animals of the kinds referred to in Table 1; and

(b) in respect of the Kruger National Park, animals of the kinds referred to in Table 2,

for the purposes of that Act.

A. I. VAN NIEKERK,
Minister of Agriculture.

TABLE 1

KINDS OF ANIMALS
Bovine
Donkey
Duck
Fowl
Goat
Goose
Guineafowl
Horse
Mule

DIERSOORTE
Kwartel
Muil
Patrys
Perd
Skaap
Tarentaal
Vark
Volstruis

TABEL 2

DIERSOORTE	
Gewone naam	Wetenskaplike naam
Blouwildebees	*Connochaetes taurinus.*
Bontkwagga	*Equus burchelli.*
Buffel	*Syncerus caffer.*
Olifant	*Loxodonta africana.*
Rooibok	*Aepyceros melampus.*
Seekoei	*Hippopotamus amphibius.*

KINDS OF ANIMALS
Ostrich
Patridge
Pheasant
Pig
Pigeon
Quail
Rabbit
Sheep
Turkey

TABLE 2

KINDS OF ANIMALS	
Common name	Scientific name
Blue wildebeest	*Connochaetes taurinus.*
Buffalo	*Syncerus caffer.*
Burchell's Zebra	*Equus burchelli.*
Elephant	*Loxodonta africana.*
Hippopotamus	*Hippopotamus amphibius.*
Impala	*Aepyceros melampus.*

INHOUD

CONTENTS

Gedruk deur en verkrygbaar by die Staatsdrukker, Bosmanstraat, Privaat Sak X85, Pretoria, 0001. Tel. 323-9731 × 263, 267 of 269

Printed by and obtainable from the Government Printer, Bosman Street, Private Bag X85, Pretoria, 0001. Tel. 323-9731 × 263, 267 or 269

Foul time reported by Rainbow chief

STEPHEN CRANSTON (3) MEAT

ARG 13/7/92

JOHANNESBURG. — There has been little volume growth in demand for chicken in the past year, says Rainbow Chicken managing director John Geoghegan.

Mr Geoghegan attributes this to the economic downturn, the effects of the drought and the introduction of VAT on chicken, which had been exempt from GST.

Mr Geoghegan says that while the overall food index increased by more than 25 percent for the year, Rainbow's chicken prices increased by 9,5 percent — excluding VAT — in the financial year to March.

Mr Geoghegan says there was persistent overproduction, which, coupled with the low level of demand, caused surplus stocks primarily in the first and last quarters.

Rainbow experienced increased demand from the fast-food sector, where Kentucky Fried Chicken was the dominant customer, and major retail chains.

Demand slackened in the mining contract, among small retailers and other outlets.

Mr Geoghegan said there had been an increase in red meat supply because of the drought, which would continue to exert downward pressure on chicken prices.

He expected prices to increase in the second half of the financial year beginning on October 1.

He predicted supply and demand for chicken would balance and red meat prices would increase.

BUSINESS DAY, Monday, July 13 1992 3

Pick 'n Pay raises doubts over Abacor's 'monopoly'

BDay 13/7/92 (3) Meat

LINDA ENSOR

CAPE TOWN — The monopoly the soon-to-be listed Abacor group would exercise over animal-slaughtering raised doubts over the way abattoirs were being privatised, Pick 'n Pay director Gareth Ackerman said at the weekend.

He said Abacor's equity should be available to all and not 50%-owned by producers and management.

"It could be argued that both have a vested interest in preserving the status quo with regard to the regulation of the industry."

Only 20% of Abacor's equity would be available to the private sector outside the trade, and producers would still be unable to slaughter locally or in their own abattoirs, he said.

Ackerman, who as GM of Blue Ribbon Meat Corp controls the chain of butcheries in Pick 'n Pay supermarkets nationwide, said deregulation and privatisation of the meat industry were vital to reduce consumer prices.

He said traders should be entitled to slaughter at an abattoir of their choice and be free to obtain produce where they liked, with the only considerations being price, hygiene and quality.

"The present system prevents market-orientated competition and fuels inflation," he said.

"SA abattoirs are not competitive and therefore not cost-efficient in terms of the prevailing needs of consumers and producers."

Abacor chairman Fanie van Rensburg said Abacor's value would be determined within a month and indications were that shares would be available at R1 each.

Abacor shares will be available on a priority basis — 45% to producers, 30% to the trade, 20% to the private sector and 5% to Abacor personnel.

MEAT INDUSTRY

(3) Meat

Pretending to reform?

FM 17/7/92

Government outlined, with much fanfare, its proposals last week to deregulate the meat industry and privatise the State abattoir corporation, Abacor. For farmers there was the promise of less red tape when they brought animals to slaughter. For consumers there was the promise of lower prices and higher quality meat.

Government believes that these changes will answer charges that the industry is heavily over-regulated. But, say critics, the reforms appear to be a sham, aimed at protecting the *status quo* instead of really helping farmers and consumers.

A report from government's committee of inquiry into the deregulation of the meat industry indicates that the abolition of the controlled urban markets and free access to these markets by producers from uncontrolled rural areas is a smoke screen behind which Meat Board controls will either remain or be passed on to private monopolies.

The same applies to the privatisation of Abacor, where powerful producer, processing and retailing interests will be allowed to obtain full control of the State-owned monopoly.

"Should the floor price system, stabilisation fund, high hygienic standards and restricted access to urban markets remain under the new dispensation, all one will see will be a horizontal move from statutory control to private monopoly power," says Willie Lubbe, an agricultural economist at Pretoria University.

He believes that the Marketing Act — under which the board operates its restrictive meat scheme — should be abolished and replaced by "appropriate regulations."

"Restrictive hygiene standards serve to keep meat prices high and competition out of the industry. The playing fields should be levelled for competitors to move into this sector. Nonrestrictive minimum hygiene standards should allow consumers to exercise their own choice in the market on the standards they require."

He says the board's enforced stabilisation fund and floor-price system should become voluntary, with participants having a choice of opting in or out.

But the government deregulation report implies the board wants the *status quo* to continue. This means prices will be artificially maintained when there is an oversupply. The board will have to buy meat at floor-price levels and pay costly storage fees for a frozen meat mountain. Consumers will continue to lose out on lower-priced meat and a broader choice.

Gareth Ackerman, national GM of Blue Ribbon Meat, Pick 'n Pay's meat retailer, also criticises the proposed privatisation of Abacor. He says Abacor "would continue to enjoy a slaughter monopoly and producers would still be unable to slaughter locally or in their own abattoirs."

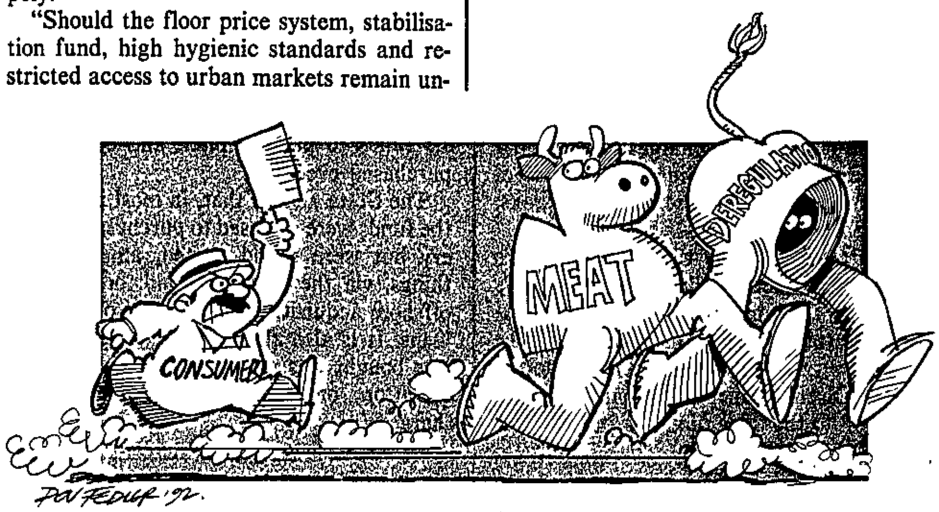
He adds: "The system prevents market-orientated competition and fuels inflation through continuing monopolism. SA abattoirs are not competitive and therefore not cost-efficient in terms of the prevailing needs of consumers and producers. In particular, abattoirs lack a competitive business culture and, at peak sales periods like Christmas and New Year, shortages exist because abattoirs are not prepared to work longer hours or on public holidays, as would a bottom-line orientated business."

Government's proposal for Abacor would make shares available to producers (45%), the trade (30%), private sector (20%) and Abacor staff (5%). But, Ackerman says, Blue Ribbon and Pick 'n Pay would not take up an interest in Abacor because vested interests would be able to control it.

However, Fanie van Rensburg, chairman of the board and Abacor, says no single shareholder will be allowed to own more than 10% of Abacor. "This will clearly prevent monopoly control of Abacor."

Ackerman says: "Traders should be entitled to slaughter at an abattoir of their choice and to freely source produce, with only price, hygiene and quality as legitimate business considerations. Farmers and consumers accept this to be the only fair and equitable system in a market and growth-orientated economy."

Abacor MD Frans van den Vyver agrees that a competing abattoir would face hurdles. Capital expenditure on an abattoir with a slaughter capacity of 1 000 head of cattle a day would amount to R120m, he says. And, adds Van Rensburg, "only class 1 and 2 abattoirs (meeting the highest standards) would in future be allowed to sell meat in the urban markets, after deregulation." ■



CLOTHING & TEXTILES

FM 17/7/92

Reaching agreement

The textile and clothing industries have buried their differences and reached an agreement on tariff and import rules affecting the two sectors. Initialled last week, the agreement between the Textile Federation, the National Clothing Federation and the Board on Tariffs & Trade is now on the desk of Trade & Industry Director-General Stef Naude for final approval.

Both industries want a decision from Naude as quickly as possible. "Rome is metaphorically burning with enormous losses being sustained on a daily basis in the clothing sector, and the ongoing uncertainty is holding back further investment in both sectors," says one industry source.

Central to the agreement is a roughly 40% increase in the extremely restrictive import quotas granted for various types of fabrics (used in clothing manufacture) recommended by the Hatty report and implemented on May 1. The proposed increase will apply retroactively to May 1 for companies that had already applied for quotas.

Secondly, it is agreed that the quota system would be terminated on October 31, to be replaced by a new, simplified duty system that will be published as soon as possible in the *Government Gazette*. Tariffs for imported yarns, fabrics, clothing and made-up textiles will be pegged at no higher than proposed maximum levels that will be well below the excessive tariffs proposed by the Hatty report.

The proposed new tariffs would come into effect on November 1 and remain for a period of a year. Until the end of October, the Hatty-recommended tariffs will remain.

For yarns, the agreement stipulates a maximum ad valorem tariff of 35% (com-

cont →

News in brief

Sowetan 24/7/92

500 game carcasss

ABOUT 500 game carcasses will be donated to welfare organisations over the next two months by the Transvaal Provincial Administration.

MEC member Mr Willie Hoods said yesterday the donation would comprise about 150 wildebeest, 250 springbok and 90 impala and blesbuck carcasses, with a market value of about R70 000.

He handed over the first consignment of 84 game carcasses to the O'Connor Foundation at the Roodeplaat Nature Reserve yesterday. The carcasses will be distributed to needy communities in the Johannesburg area. The culling of game had been necessitated by the drought that caused grazing in some of the 40 Provincial Nature Reserves in the Transvaal to become limited.

Sadtu-Lebowa row [redacted]

THE Northern Transvaal branch of the South African Democratic Teachers Union yesterday called on the Lebowa Department of Education to reopen three colleges in the territory [redacted]

Sadtu claimed in a statement the department had closed Sekgosese, Mamokgalake-Chuene and Kwena-Moloto colleges "without tangible reasons".

The department, however, denied it had closed the colleges. It said: "The Lebowa Department of Education wishes to reiterate that it cannot open colleges of education which are open", and urged Sadtu that "if they wish to actively participate in politics they should look for a convenient political forum such as Codesa".

Gunmen attack two

A PERSON was killed and another injured after they were attacked by unknown gunmen at Esikhawini near Empangeni on Wednesday night.

KwaZulu police said Mr Musa Mpanza died after gunmen shot at him through the window of his Port Dunford cottage. The gunmen then went to the next cottage where they shot Miss Sibongile Mabaso (24). She was wounded in the right thigh. Police have not yet established the motive for the attacks and are investigating cases of murder and attempted murder. No arrest has been made.

Homelands warned

THE ANC Northern Transvaal region yesterday announced that four homelands would be targetted for mass action from August 3. [redacted]

Regional deputy secretary Mr Norman Mashabane said marches would be staged in Venda, Gazankulu, Lebowa and KwaNdebele where memoranda will be submitted to the homeland leaders deploring corruption and urging the establishment of an interim government. "The bantustans are a creation of the apartheid regime and must be dismantled. The mass action will be followed up by sit-ins and the occupation of state buildings such as police stations, hospitals and education departments."

Sowetan 24/7/92

Fine for firing cops

A 20-YEAR-OLD man who shot and wounded two policemen in May last year was yesterday fined R3 000 or two years' imprisonment in the Johannesburg Regional Court.

Magistrate Mr AJS Bouwer sentenced Clyde Booysen to another two years in prison suspended for five years. Booysen was convicted of assault with the intent to do grievous bodily harm. The original charge was one of attempted murder. Bouwer said Constable Edward Goliath and Constable Jacques Bezuidenhout were wounded at a discotheque where Booysen was working as a security guard.

SA to import wheat

MORE than 50 percent of South Africa's wheat requirements will have to be imported next year because of the drought in the Free State wheat-producing region says the chairman of the Winter Wheat Producers Organisation, Mr Chappie Ferreira - *Sowetan Reporters, Correspondents and Sapa*

3 wheat

Sowetan 24/7/92

Business Report

'First deregulate the meat industry'

(3) MEAT CT 30/7/92

By MAGGIE ROWLEY
Deputy Business Editor

PRIVATISATION of the country's abattoirs must be preceded by meaningful deregulation of the meat industry, says Pierre Brooks, chairman of the Competition Board.

The proposed privatisation of Abakor is being considered by the Competition Board as part of its investigation into the red meat industry which has not yet been finalised.

However, Brooks said the following interim recommendations had been submitted to the government:

● The privatisation of Abakor must take place in a manner that results in tangible benefits for the general public and should not be used to favour or entrench vested interests. Care should be taken to ensure, among other things, that a market-related price is obtained for the business.

● Adequate steps would have to be taken to ensure that a dominant parastatal was not simply converted into a dominant private sector busienss. A serious attempt should thus be made to sell Abakor on a fragmented basis with interested parties being afforded the opportunity of tendering for Abakor's various abattoirs on a single unit or collective basis.

● The present overlapping between the management of the Meat Board and Abakor's directorate should not be allowed to continue after privatisation.

● Privatisation should preferably be preceded by meaningful deregulation of certain key aspects of the comprehensively regulated red meat industry.

"In any event the minimum deregulation that ought to take place before privatisation should ensure that irrespective of its grading, meat should be able to move freely thoughout the country.

"Board members with particular expertise in the field of investor protection underscore the fact that privatisation should only follow upon a suitable window period after deregulation to allow investors the opportunity to make a meaningful assessment of the performance and worth of the business," said Dr Brooks.

Reacting to Brooks' announcement, Gareth Ackerman, CEO of Blue Ribbon Meat Corporation and Pick 'n Pay director, expressed reservations about the "protectionism" which might be perpetuated by the pre-determined ownership of a privatised Abacor.

Although the intention was to create "tangible benefits" for the general public only a limited percentage of shares would be released for this purpose.

"It seems to me that little will change with the privatisation of Abacor since 50% of the equity has been reserved for producers and Abacor management.

"Contrary to the statement concerning caution against favouring entrenched vested interest, it could be argued that both producers and Abacor management have a vested interest in preserving the status quo with regard to regulation

(5) Posgeld op en aflweringskoste van elke sodanige tjek, posorder of poswissel moet deur die afsender daarvan vooruitbetaal word.

Tye waarop heffing betaalbaar is

3. (1) 'n Persoon in regulasie 2 (1) bedoel, moet die betrokke tjek, posorder of poswissel op so 'n wyse stuur of aflewer dat dit die Raad bereik voor of op die vyftiende dag van die maand volgende op die maand waarop die opgawe of sertifikaat in regulasie 2 (3) (c) of (d) bedoel, betrekking het.

(2) Die Hoofbestuurder van die Raad moet—

(a) die bedrag wat ten opsigte van 'n algemene heffing kragtens artikel 46A van die Wet betaalbaar is, so spoedig doenlik in die spesiale rekening bedoel in artikel 46C van die Wet stort; en

(b) die Direkteur-generaal van die Departement van Landbou onverwyld skriftelik in kennis stel van elke bedrag aldus gestort.

Misdrywe en strawwe

4. Iemand wat 'n bepaling van hierdie regulasies oortree of versuim om daaraan te voldoen, is aan 'n misdryf skuldig en by skuldigbevinding strafbaar met 'n boete van hoogstens R5 000.

No. R. 1845 **30 Junie 1992**

BEMARKINGSWET, 1968
(WET No. 59 VAN 1968)

VLEISSKEMA: HEFFING EN SPESIALE HEFFING: WYSIGING

Ek, André Isak van Niekerk, Minister van Landbou, maak hiermee ingevolge artikel 79 van die Bemarkingswet, 1968 (Wet No. 59 van 1968), bekend dat—

(a) die Vleisraad bedoel in artikel 6 van die Vleisskema gepubliseer by Goewermentskennisgewing No. R. 237 van 7 Februarie 1991 kragtens artikel 26 van genoemde Skema die Bylae by Goewermentskennisgewing No. R. 1031 van 8 Mei 1991, soos gewysig, verder gewysig het in die mate in die Bylae hierby uiteengesit; en

(b) genoemde wysiging deur my goedgekeur is en op 1 Julie 1992 in werking tree.

A. I. VAN NIEKERK,
Minister van Landbou.

BYLAE

Die Bylae by Goewermentskennisgewing No. R. 1031 van 8 Mei 1991, soos gewysig deur Goewermentskennisgewings Nos. R. 1551 van 28 Junie 1991, R. 2135 van 30 Augustus 1991, R. 2416 van 1 Oktober 1991, R. 3179 van 27 Desember 1991, R. 1028 van 10 April 1992 en R. 1473 van 29 Mei 1992 word hierby verder gewysig deur Tabel 1 deur die volgende Tabel te vervang:

(5) Postage and delivery costs of each such cheque, postal order or money order shall be prepaid by the sender thereof.

Time of payment of levy

3. (1) a person referred to in regulation 2 (1) shall forward or submit the cheque, postal order or money order concerned in such a manner that it reaches the Board before or on the fifteenth day of the month following the month to which the return or certificate referred to in regulation 2 (3) (c) or (d), refers.

(2) The General Manager of the Board shall—

(a) as soon as practicable pay into the special account referred to in section 46C of the Act, the amount payable in respect of the general levy payable under section 46A of the Act; and

(b) forthwith notify the Director-General of the Department of Agriculture in writing of each amount thus paid in.

Offences and penalties

4. Any person who contravenes or fails to comply with a provision of these regulations shall be guilty of an offence and liable on conviction to a fine not exceeding R5 000.

No. R. 1845 **30 June 1992**

MARKETING ACT, 1968
(ACT No. 59 OF 1968)

MEAT SCHEME: LEVY AND SPECIAL LEVY: AMENDMENT (3) meat

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 Meat Board referred to in section 6 of the Meat Scheme published by Government Notice No. R. 237 of 7 February 1991, has under section 26 of the said Scheme further amended the Schedule to Government Notice No. R. 1031 of 8 May 1991, as amended, to the extent set out in the Schedule hereto; and

(b) the said amendment has been approved by me and shall come into operation on 1 July 1992.

A. I. VAN NIEKERK,
Minister of Agriculture.

SCHEDULE

The Schedule to Government Notice No. R. 1031 of 8 May 1991, as amended by Government Notices Nos. R. 1551 of 28 June 1991, R. 2135 of 30 August 1991, R. 2416 of 1 October 1991, R. 3179 of 27 December 1991, R. 1028 of 10 April 1992 and R. 1473 of 29 May 1992 is hereby further amended by the substitution for Table 1 of the following Table:

3 Meat

TABEL 1 • TABLE 1

HEFFING EN SPESIALE HEFFING OP VLEIS EN AFVAL • LEVY AND SPECIAL LEVY ON MEAT AND OFFAL

1	2			3			4	5			6						7		
Diersoorte Kinds of animals	Vleis van diere binne beheerde gebiede in openbare abattoirs geslag Meat of animals slaughtered in controlled areas at public abattoirs			Vleis van diere in nie-openbare abattoirs binne beheerde gebiede geslag Meat of animals slaughtered in controlled areas at private abattoirs*			Noodslagtings Emergency slaughterings	Vleis van diere in buite beheerde gebiede geslag Meat of animals slaughtered outside controlled areas			Vleis/karkasse/snitvleis ingebring vanaf aangrensende gebiede na markte in die RSA*** Meat/carcases/deboned cuts introduced from adjoining territories to markets in the RSA***						Ontbeende snitvleis afkomstig van diere in die RSA geslag Deboned cuts derived from animals slaughtered in the RSA		
	Heffing Levy	Spesiale Special	Totaal Total	Heffing Levy	Spesiale Special	Totaal Total	Totaal Total	Heffing Levy	Spesiale Special	Totaal Total	Heffing Levy	Spesiale Special	Totaal Total	Heffing Levy	Spesiale Special	Totaal Total	Heffing Levy	Spesiale Special	Totaal Total
											Ontbeende vleis Deboned meat Snitte/Cuts †			Karkasse/Kwarte Carcases/Quarters			Ontbeende vleis Deboned meat †		
		c/kg			c/kg		c/kg		Sent/Cent Karkas/Carcase			c/kg			c/kg			c/kg	
Bees/Beef	1,43	4,07	5,50	0,11	2,15	2,26	3,58	23,10	452,10	475,20	0,16	3,06	3,22	0,11	2,15	2,26	0,16	3,06	3,22
Kalf/Calf	1,43	3,52	4,95	0,11	2,15	2,26	3,58	4,40	85,80	90,20	—	—	—	0,11	2,15	2,26	—	—	—
Skaap/Sheep } Bok/Goat }	3,08	2,42	5,50	0,33	1,60	1,93	4,68	5,78	28,33	34,11	—	—	—	0,33	1,60	1,93	—	—	—
Vark/Pork	3,58	5,17	8,75	0,38	0,83	1,21	4,40	20,35	44,55	64,90	—	—	—	0,38	0,83	1,21	—	—	—

* Bull Brand Krugersdorp, Renown Olifantsfontein, Kanhym Germiston, Spekenham Bellville.

** Maak nie voorsiening vir gradering- en assuransieheffing nie • Does not provide for levy for grading and insurance.

*** Karkasse/Vleissnitte/Ontbeende vleis ingebring vanaf aangrensende gebiede • Carcases/Meat cuts/Deboned meat brought in from adjoining territories.

† Formule vir die berekening van heffing op ontbeende vleis:

$$\text{Bees} = \frac{\text{Toepaslike heffing}}{147} \times 210.$$

BTW ingesluit/VAT included.

Abacor to seek listing

STAR 10/7/92.

Finance Staff (3) Meat

State owned Abacor, which manages 11 of SA's largest abattoirs, will soon apply to the Johannesburg Stock Exchange for a listing.

At a news conference yesterday Abacor chairman Dr Fanie van Rensburg said a prospectus would be available by December after a final audit of the group's results for the year to end June 1992. The audit would establish the final value of Abacor.

Dr van Rensburg said Abacor had been managed and operated commercially for a considerable time and privatisation would therefore demand no special adjustments in its management and operations.

The shares would be made available on the following basis: 45 percent to producers, 30 percent to the trade, 20 percent to the private sector and five percent to Abacor personnel. Unsold shares will be offered to public.

Dr van Rensburg said that Abacor was aiming to sell the shares at 100c each.

Despite the current economic problems, particularly in the agricultural sector, the future of the meat industry looked extremely encouraging, he added.

Stockpile 'result of drought'

Staff Reporter

THE 9 000-ton red meat stockpile was the result of an oversupply in the market caused by drought-stricken farmers thinning their herds through "emergency slaughtering", Meat Board senior general manager Dr Pieter Coetsee said yesterday.

He said the stockpile, the largest since 1985, consisted of beef, mutton and pork.

Because of the drought many farmers, unable to maintain large herds during the winter months, had transported more animals than usual to the abattoir.

This had affected auction prices.

Dr Coetsee said the meat was "taken up" by the board when floor prices dropped below the minimum R4,60 a kilogram that is given to the farmer.

He said the minimum price at auctions protected the farmers and kept them in business.

When prices dropped below the set auction price, the Meat Board stepped in and paid the farmers the minimum rate from a stabilisation fund.

The meat was kept in cold storage until demand picked up.

As a temporary relief measure, the board will reduce the levy paid by farmers on meat sold at auctions from 5c/kg to 11c a carcass.

Red Meat Producers' Organisation manager Mr Gerhard Schutte said yesterday the organisation welcomed the move.

(3) MEAT CT 31/7/92

Govt meat policy 'pushes up inflation'

ANDREW KRUMM

GOVERNMENT's tactic of stockpiling meat had contributed directly to inflation, Blue Ribbon CE and Pick 'n Pay director Gareth Ackerman said at the weekend.

Addressing the Organisation of Livestock Producers' annual conference in Bloemfontein, Ackerman said Pick 'n Pay would be reluctant to buy these deep-frozen and lower quality meat stocks. He said recent government allegations that the retail price of meat had contributed substantially to a 29,3% food price increase over the past year were damaging to the meat industry's already precarious reputation.

"Rather than lash out at retailers, government should look to relax its own fiscal control and remove excessive duties imposed on less expensive, quality imports."

Competitively priced meat imports would also keep prices under control should the drought continue to aggravate shortages, he said.

(3) Meat

Government intervention in the red meat industry had bred dissatisfaction at all levels — from producer to consumer.

☐ To Page 2

Meat

BDay 3/8/92

"All agree the industry's objective should be to sell more red meat at competitive prices — and not less, more costly meat in the present stagnant market."

The red meat industry — worth more than R4,5bn in annual sales — was especially vulnerable to recession.

"Inflated prices have turned hard-pressed consumers away from red meat, compounding the already unstable situation of livestock farmers."

Meat price stability would be attained only by trading on a futures market and not through controlled and predetermined floor prices. "Protectionism has failed everyone," Ackerman said.

He added it was unlikely that a new administration would continue to protect an unprofitable farming sector, and those farmers dependent on protectionism should speedily reassess their opposition to the market system. Productive and competitive farmers, however, had little to fear from a new government.

A less constrained market system was

(3) Meat

☐ From Page 1

likely to lead to a revival in the agricultural economy, which no government could tamper with, he said.

Speaking at the same conference, Deputy Agriculture Minister Tobie Meyer said the grazing situation was critical in many parts of the country and auction prices of beef had moved down to equal the floor price, or just above it, GERALD REILLY reports.

If the rains held off, producers would be compelled to market breeding stock. This would be a great loss to the industry. During 1990 and 1991, beef's share of the meat market was 43%, against 67,5% in 1960/61.

This was due to the widening gap between producer and consumer prices. Producers received only 45% of the consumer's rand.

Meyer said average dam levels throughout the country had decreased by 20% over the past year. The number of districts partly or totally under the drought assistance scheme increased from 31 in July last year to 130.

(3) MEAT

Row brewing over meat stockpile 'tactic'

CT 3/8/92

Own Correspondents

JOHANNESBURG. — Government's tactic of stockpiling meat had contributed directly to inflation, Blue Ribbon CE and Pick 'n Pay director Gareth Ackerman said at the weekend.

Addressing the Organisation of Livestock Producers' annual conference in Bloemfontein, Ackerman said Pick 'n Pay would be reluctant to buy these deep-frozen and lower quality meat stocks. He said recent government allegations that the retail price of meat had contributed substantially to a 29,3% food price increase over the past year were damaging to the meat industry's already precarious reputation.

"Rather than lash out at retailers, government should look to relax its own fiscal control, and remove excessive duties imposed on less expensive, quality imports."

Competitively priced meat imports would also keep prices under control should the drought continue to aggravate shortages, he said.

Government intervention in the red meat industry had bred dissatisfaction at all levels — from producer to consumer.

"All agree the industry's objective should be to sell more red meat at competitive prices — and not less, more costly meat in the present stagnant market."

The red meat industry — worth more than R4,5bn in annual sales — was especially vulnerable to recession.

Speaking at the same conference, Deputy Agriculture Minister Tobie Meyer said the grazing situation was critical in many parts of the country and auction prices of beef had moved down to equal the floor price, or just above it.

If the rains held off, producers would be compelled to market breeding stock. This would be a great loss to the industry. During 1990 and 1991, beef's share of the meat market was 43%, against 67,5% in 1960/61.

(3) MEAT
CT 7/8/92

Red meat shock

Reject in Europe, imported into SA

By GLYNNIS UNDERHILL

THOUSANDS of tons of red meat rejected by consumers in Europe have been imported for the past two years — and placed on local shopping shelves, according to industry producers.

A top source in the industry claimed that the meat was bought at "rock-bottom" prices in Europe to avoid paying higher prices for locally-produced meat.

This comes after revelations recently that South Africa was stockpiling frozen meat and according to the Meat Board there is a over-supply of meat produced in the country.

The imported red meat had been rejected by European consumers and producers who feared it could be contaminated with hormones, radio-activity or "mad cow" disease, according to the source.

Local meat producers said they have been battling to find a market for their meat since the importing began in earnest in 1989.

The producers claim to have proof that from 15 000 to 47 000 tons of red meat have been imported annually from the European meat "mountain".

According to records obtained by producers for the period from April 1, 1989 to March 31, 1990, South Africa imported more than six million kilograms from Ireland, more than 10 million from France and more than two million from Britain.

The countries most affected by mad cow disease — which affects some European red meat — have been England, Ireland and France.

Producers claimed imports were continuing. As much as 950 000 tons of rejected red meat was lying in Europe, they said.

Dr J D Coetzee, director of meat hygiene in the Department of Agriculture, said stringent tests for eradication or contamination were applied to imported red meat.

"We do allow certain growth promotants and natural hormones in our meat while they (in some European countries) don't allow it," he said.

Dr Coetzee said his department had rejected 200 tons of red meat brought into the country this year.

"We will certainly try our utmost to stop any contaminated meat slipping through," he said.

Meat Board senior general manager Dr Pieter Coetzee said the control board did not have anything to do with the importation of red meat into South Africa.

"It is out of our hands. Independent traders can get permits from the Department of Trade and Industry," he said.

A spokesman for the Department of Trade and Industry said all imports of red meat were handled by the Department of Agriculture.

A local red meat producer, who asked not to be identified, said the red meat was imported as "factory meat" destined for tins by a number of large companies which control the entire meat industry.

"But we know it is used for other purposes and lands on our shelves as fresh meat."

Dr Johan Krige, director of animal health in the Department of Agriculture, said any animals infected with mad cow disease were destroyed in their country of origin.

South Africa did import deboned red meat that conformed to standards from "infected countries", but not on a large scale, he said.

"We do not import anything that is not fit for human consumption, but standards in Europe are higher than those of a Third World country like South Africa."

A top industry source said: "We haven't said anything before about the imports because we feared there would be a consumer revolt against red meat and we could not afford that to happen."

ABACOR'S PRIVATISATION

FM 7/8/92 (3) Meat

A competing proposal

The highly suspect privatisation of the Abattoir Corp (Abacor) and "deregulation" of the meat industry have been under attack for allegedly being just a smoke screen for the sector's vested interests to maintain control.

Now the Competition Board has joined the fray by making four recommendations for Abacor's privatisation and the industry's deregulation that, critics say, largely contradict government's plans.

The recommendations, released by chairman Pierre Brooks last week, follow by a few weeks the announcement that Abacor will go for a listing on the JSE this year (*Business & Technology* July 17). They're closely in line with proposals made by the supermarket

Continued

FM 7/8/92 (3) Meat.

chains, the free-market-orientated Organisation of Livestock Producers and other groups that have attacked for more than a year government's control over the meat industry.

Abacor MD Frans van den Vyver declines to discuss the board's recommendations in detail but he is not happy with them. He lodged a complaint with Agriculture Minister Kraai van Niekerk over the board's recommendations and asked him to call a special meeting with Brooks and himself to resolve the issue. Brooks was then asked to attend Wednesday morning's meeting of the Abacor privatisation committeee, which includes Van Niekerk, Finance Minister Derek Keys, and Public Enterprises Minister Dawie de Villiers.

The board's proposals are simple enough:

☐ Privatisation should hold tangible benefits for the public and "not be used to favour or entrench vested interests."

Van Niekerk responds that, "since no individual or organisation can hold more than 10% of the shares, a privatised Abacor will minimise the entrenchment of vested interests." Nevertheless, critics say that while the privatisation plan calls for meat producers to hold a maximum 45% share, the trade 30%, the private sector 20% and Abacor staff 5%, powerful interests such as Vleissentraal, Imperial Cold Storage (ICS), Kanhym and the Red Meat Producers' Organisation could gain joint control of a privatised Abacor;

☐ Adequate steps should be taken to ensure that "a dominant parastatal is not simply converted into a dominant private-sector business." The board says it wants government to try to break up Abacor and sell its abattoirs individually or in small groups, which would foster greater competition. But government has already announced that it will sell Abacor as a single unit. Critics say this will entrench Abacor's dominance because it controls 11 of the 17 abattoirs serving the urban markets and it is interested in taking over another one, Cape Town's municipally owned Maitland abattoir.

Van Niekerk says only that "the sale of privatised Abacor's assets will be the prerogative of the new owners;"

☐ The "comprehensively regulated" red-meat industry should be deregulated before Abacor is privatised. This "should ensure that, irrespective of its grading, meat should be able to move freely throughout SA." Now, there is no free movement of meat between urban and rural areas.

Brooks adds that privatisation should follow only after a suitable period after deregulation to allow investors the opportunity to make an assessment of the performance and worth of the business.

Abacor and the Meat Board adamantly oppose this idea. Critics say this is because a proper freeing of the meat market would prevent vested interests from continuing their control.

And government's deregulation proposal calls only for meat slaughtered at the highest-standard abattoirs to move freely. Most of these abattoirs are now controlled either by Abacor or the "big three" meat producers — Vleissentraal, Kanhym and ICS; and

☐ The present overlapping between the Meat Board's management and Abacor's directors "should not be allowed to continue after privatisation." The Meat Board and Abacor now have the same chairman, Fanie van Rensburg.

Van Niekerk says "after privatisation, any direct overlapping will cease." But, says Red Meat Producers' Organisation manager Gerhard Schutte, "a privatised Abacor should surely be free to choose the board it likes — and this board should be free to decide who will chair its meetings."

Fair enough — as long as the other Competition Board proposals are followed. ■

Europe's rejected meat sold in SA

BDAY 7/8/92 (3) Meat

CAPE TOWN — Thousands of tons of red meat rejected by consumers in Europe have been imported for the past two years and placed on local shelves, according to industry producers.

A top industry source claimed that the rejected meat was bought at "rock-bottom" prices in Europe to avoid paying higher prices for locally produced meat.

According to the Meat Board there is an oversupply of meat produced in SA.

The imported red meat had been rejected by European consumers and producers who feared contamination by hormones, radioactivity or "mad cow" disease.

Local meat producers said they had been battling to find a market since the imports began in earnest in 1989.

The producers claim to have proof that 15 000-40 000 tons of red meat have been imported annually.

According to records obtained by producers for the period April 1 1989 to March 31 1990, SA imported more than 6-million kg from Ireland, more than 10-million kg from France and more than 2-million kg from the UK, the countries most affected by mad cow disease.

Producers claimed imports were still continuing.

Own Correspondent

The industry source said: "We haven't said anything before about the imports because we feared there would be a consumer revolt against red meat."

Agriculture Department meat hygiene director J D Coetzee said stringent tests for eradication or contamination were applied to imported red meat. "We do allow certain growth promotants and natural hormones in our meat while they (some European countries) don't."

Meat Board senior GM Pieter Coetzee said the board did not have anything to do with the importation of red meat.

"Independent traders can get permits from the Department of Trade and Industry," he said.

A local red meat producer, who asked not to be identified, said the red meat was imported as "factory meat" destined for canning. "But we know it ... lands on our shelves as fresh meat."

Agriculture Department animal health director Johan Krige said SA did import deboned red meat that conformed to standards from "infected countries", but not on a large scale.

"We do not import anything that is not fit for human consumption, but standards in Europe are higher than those of a Third World country like SA," he said.

Kraai sizzles over the bad-meat claims

3 MEAT ARG 8/8/92

■ Consumers have been rocked by allegations that South Africa was importing large quantities of possibly contaminated red meat. These allegations have been categorically denied by the Minister of Agriculture, Dr Kraai van Niekerk.

WILLEM STEENKAMP and ROGER FRIEDMAN
Weekend Argus Reporters

ALLEGATIONS that the government had allowed the importation of vast quantities of possibly contaminated red meat from Europe has drawn furious reaction from Agriculture Minister, Dr Kraai van Niekerk.

Describing the allegations, reported yesterday morning as irresponsible and false, Dr Van Niekerk assured consumers that all imported meat was "absolutely safe".

He denied claims by unidentified meat-industry sources that up to 47 000 tons of meat were imported annually after being rejected by European consumers and producers because of fears that the meat could be contaminated by bacteria or radioactivity.

At the same time Mr Gareth Ackerman, managing director of Blue Ribbon Meat, gave assurances that "fanatical" health inspectors in Europe and stringent double checks in South Africa made it well-nigh impossible for contaminated, imported meat to reach local dinner tables.

The minister said meat was imported under strict regulations. Only meat from approved European abattoirs, approved by veterinary surgeons, could be imported.

Since the Chernobyl disaster steps had been taken to ensure that imported meat was not radioactive.

In total 101 241 tons of red and poultry meat had been imported since 1989, of which 2 287 tons were rejected.

The total of red meat imported during the past 3½ years has been 39 579 — 22 714 in 1989, 7 501 in 1990, 4 572 last year and 4 819 up to the end of June this year.

"From this it should be clear that allegations about the extent and hygienic standards of imported red meat were totally incorrect," said Dr Van Niekerk.

However, he invited anyone with information about possible irregularities in meat imports to contact the Department of Agriculture.

■ A senior spokesman in the Department of Agriculture earlier told Weekend Argus that most of the imported red meat was intended for the canned meat market.

A levy of about R9 a kilogram was placed on imported fresh red meat to ensure that dumping did not take place.

■ Dr Michael Popkiss, City medical officer of health, said he was satisfied that control measures were in place to weed out unhealthy meat.

'Local still the better buy', says meat chief

ROGER FRIEDMAN
Weekend Argus Reporter and Sapa

THE Meat Board opposes meat imports because it believes these carcasses are often inferior.

Reacting to the row over claims that South Africa regularly imported contaminated meat from Europe, Dr Coetzee said Europe was "sitting with about a million tons of beef" which was heavily subsidised and therefore cheap by world standards.

"We try to put fresh, high-quality meat on consumers' tables," he said, referring to locally produced meat.

The Meat Board had not imported meat since 1990 when authorities like the Department of Trade and Industry, the Department of Customs and Excise and the Veterinary Division of the Department of Agriculture assumed responsibility for meat imports, said Dr Coetzee.

Dr Coetzee said that, in terms of the new provisions, any organisation had the right to apply for a monetary import permit from the Department of Trade and Industry.

If there was no objection to the particular import duty, a permit was issued.

A hygiene permit from the Veterinary Division of the Department of Agriculture had to be applied for at the same time.

"The Meat Board has no say whatsoever regarding imported meat being sold freely over the counter by various organisations," he said.

"As a matter of fact, on various occasions the Meat Board has informed local authorities that imports were unnecessary in light of the drought and the fact that current slaughtering exceeded local demand."

To ensure they bought sound meat, consumers should insist on meat from carcasses slaughtered locally, displaying the required health inspection stamps, said Dr Coetzee.

Raw deal 'not our fault' (3) Meat

THE Meat Board said on Friday it had not imported meat since 1990 when the authorities assumed responsibilty for meat imports.

Reacting to the furore about the suspect quality of imported meat, Meat Board senior general-manager Dr PH Coetzee said the authorities informed the board in 1990 that meat imports would in future be handled through the levying of import duties. Since then no meat had been imported by the board. C/Press 9/8/92

"The Meat Board has no say whatsoever regarding imported meat currently being sold freely throughout the country," he said.

"The Meat Board has on various occasions informed local authorities that imports were unnecessary in the light of the current drought and the fact that current slaughtering exceeded local demand."

Rejected red meat 'not in SA'

③ MEAT CT 8/8/92

THE Minister of Agriculture, Dr Kraai van Niekerk, yesterday denied claims that red meat that was not acceptable to the European market was being imported into South Africa.

The Cape Times yesterday reported industry sources had said red meat rejected by consumers in Europe was being landed here.

Dr Van Niekerk said the matter would be referred to the Media Council.

Yesterday the Consumer Council and the Democratic Party reacted to the report by calling for an immediate investigation of the allegations.

Dr Van Niekerk said the Department of Agriculture and the government would never permit the importation of "contaminated meat" and assured consumers that imported meat was safe. The Cape Times said European consumers had rejected the meat because they feared that it could be contaminated with hormones, radio-activity or mad cow disease.

Dr Van Niekerk said meat was imported under strict regulations. and only meat and meat products from approved abattoirs abroad, and certified by a qualified veterinary surgeon. may be imported.

The executive director of the Consumer Council Mr Jan Cronje said health inspection authorities should report on the exact state of affairs and the nature of the alleged contamination of the meat. He said consumers had the right to know what they were eating and what they were paying for.

The DP's spokesman on agriculture Mr Errol Moorcroft said that if rejected meat was brought into the country it was a scandal.

He called for the matter to be taken up directly by the Minister of Agriculture to determine responsibility.

BUSINESS DAY, Monday, August 10 1992 3

Meat Board hits at imports

GERALD REILLY

PRETORIA — The Meat Board says slaughtering is far outstripping local demand and there is no need to import red meat. (3) Meat

Board GM Pieter Coetzee was reacting at the weekend to reports that meat rejected by European control bodies was being imported and sold in SA.

Reports claimed thousands of tons had been brought into the country in the past two years, and that much of the meat had been rejected by European consumers who feared it was contaminated by hormones, radioactivity or mad cow sickness.

Coetzee stressed the Meat Board had "no say whatsoever" regarding imported meat currently being sold over the counter by various organisations.

He did not identify the organisations.

A Trade and Industry Department spokesman said permits for imports were issued by the department on the advice of the Agriculture Department.

Tariffs were introduced on mutton and lamb imports in October 1990 and on beef in November the same year.

Imports had to comply with strict health regulations, he said.

Since the imposition of Trade and Industry duties, no meat had been imported by the board and any organisation could apply to the department for monetary import permits.

Also necessary was a hygiene permit from the Agriculture Department's veterinary division.

Consumer Council director Jan Cronje said health inspection authorities involved in meat imports should report immediately on the alleged contamination.

Sapa reports Agriculture Minister Kraai van Niekerk on Friday dismissed as false reports that thousands of tons of red meat, rejected by Europeans, had been imported into SA. He said the affair would be referred to the Media Council.

Van Niekerk categorically denied that his Department or government in any manner permitted the importation of contaminated meat, and he assured consumers that "imported meat is safe".

Since 1989, 101 241 tons of red meat and poultry had been imported, of which 2 287 tons had been turned down by the department, said Van Niekerk.

Boards anxious over their future

PRETORIA — The Marketing Act could be a dangerous instrument in the hands of a government with an unsympathetic attitude to producers, Meat Board chairman and chairman of the Co-ordinating Committee of Marketing Boards Fanie van Rensburg warned yesterday.

GERALD REILLY

He expressed concern that the Act, designed to protect the farming industry, could be used against the marketing boards to promote policies favouring consumers. BDAY 13/8/92.

He told the Northern Milk Producers' Association conference the emphasis in government would shift from producer to consumer friendliness and "we must now decide how we can manage such a situation to limit the pain to a minimum".

He believed the Marketing Act and the control boards would increasingly become targets for attack. (3) Meat

Referring to strategic agricultural products, such as dairy products, Van Rensburg said the question arose whether a future government would want to lose control over such an industry. It was against this background that the Act would be a dangerous instrument which could be used against producers.

It was easily said that a future constitution would provide the necessary guaran-

☐ To Page 2

Boards BDAY 13/8/92. (3) Meat

☐ From Page 1

tees for food producers, "but about this I have reservations", Van Rensburg said.

Each sector of the industry making use of the Act's provisions had to ask itself whether marketing boards would provide protection against interference in its financial affairs by an unsympathetic Agriculture Minister.

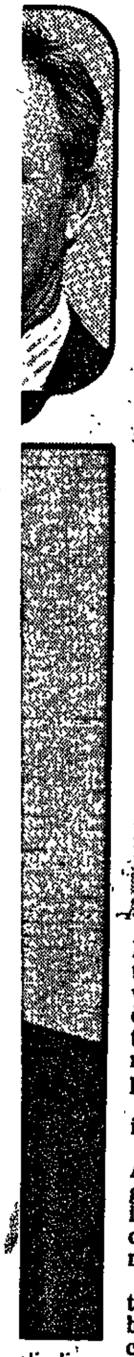
"As long as any sector clings to the statutory levy obligation it must realise that all measures aimed at protection could be placed in reverse."

The Marketing Act had over the years succeeded in keeping the gap between farm gate prices and consumer prices as small as possible. But he said increasing pressure was being exerted by government on the boards to deregulate and keep costs to a minimum.

Van Rensburg said a "long-term" industry, such as the dairy industry, could not survive if exposed to market forces.

Referring to the "concentrated power" of the distribution industry, Van Rensburg said the producer with primary and perishable products stood powerless in the marketplace as an individual.

● Comment: Page 6



atisation

Abacor in a hurry to come to market

ST Times (BUSS) 16/8/92 (3) meat

THE privatisation and stock exchange listing of the Abattoir Corporation of SA (Abacor) is on track for September or October.

But it is said that it will result in a change without a difference. There is also a widespread lack of understanding among investors about how the meat industry works.

Abacor is a parastatal red-meat operator which accounts for about 42% of all abattoir slaughtering in SA. It is the foot soldier in the Meat Board's regulation of the meat industry. Its chairman, Fanie van Rensburg, is also chairman of the Meat Board.

Investors' first question may be why the deregulation-privatisation of Abacor is happening so quickly after years of apparent procrastination.

Abacor managing director Frans van der Vyver replies that deregulation and privatisation have been going on since the early 1980s, particularly through the commercialisation of Abacor's practices and structures.

He says the meat industry is now highly deregulated.

Mr Van der Vyver says Abacor is run according to good business principles and is impatient for the big changes which are imminent.

He singles out changes to the Abattoir Act which will be implemented when Abacor becomes a public company. They will allow it to compete on an level playing field with other operators in the meat trade.

The biggest change for the trade as a whole is the ending of the infamous permit system. It will be replaced by quotas administered by abattoirs.

The permit system restricted competition in the meat trade by preventing farmers in uncontrolled outlying areas from selling their live animals or carcasses without permits in the controlled metropolitan areas.

But that change is limited because only meat from outside abattoirs with set "high" hygiene standards will be allowed in metropolitan areas. Effectively, the standards will restrict "imports" to those from major abattoirs.

Mr Van der Vyver says the standards are "normal" rather than high, even when compared with those in other African countries.

He argues that without "standard" hygiene rules, outbreaks of disease would eventually cost the State and the consumer dearly.

What will not change in the new regime will be the existence of the Meat Board or the stabilisation fund and floor prices for meat auctioned through Abacor and other abattoirs.

Mr Van der Vyver says the stabilisation fund and floor-price system are needed to reduce the cyclicality of the cattle business for farmers.

He points to the damage that would be caused if they did not exist — the decimation of herds because of farmers' need to survive after a drought and the shortage thereafter with high prices. He says many other countries have made similar arrangements.

The merits and demerits of the new meat industry regime could be debated until the next ice age.

What is certain is that Abacor will, within a few months, be listed at a discount to its tangible net asset value. To do otherwise would be to ensure failure of the listing, given the negative views of the industry.

Even at a deep discount, investors will not consider investing in Abacor if they believe that the initial deregulation of the red-meat trade will not acceptable in the new SA.

Abacor will have to show that its privatisation will benefit not only its farmer-customers but consumers.

One important facet of the huge communications campaign ahead of Abacor will be to show that it is merely an agent for meat sales and cannot therefore be held responsible for the large increases in the price of meat which have fuelled overall food inflation.

Only if investors understand and are persuaded about major issues like this will they believe that future pressure will not sweep away Abacor's established position in the meat industry, leaving the abattoirs empty.

Meat to get new marking

(3) Meat

B/DAY 20/8/92

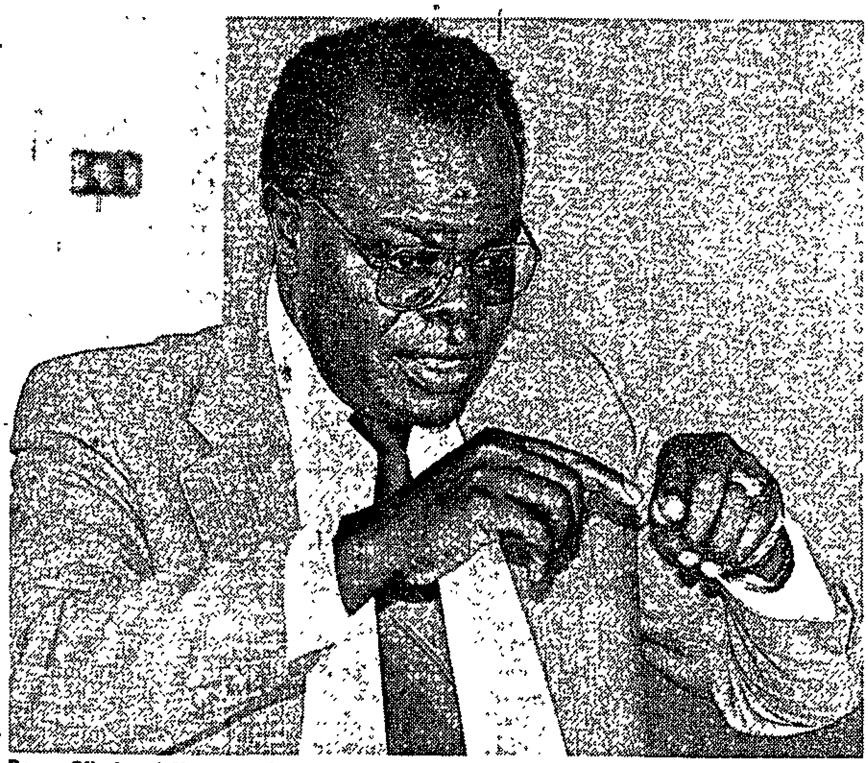
GERALD REILLY

PRETORIA — A meat marking system which will identify all carcasses and meat fit for human consumption was announced yesterday by Agriculture Department meat hygiene director Jan Coetzee.

He said the step had been taken to help the public and local health authorities.

The public assumed meat products bought in shops originated from approved sources but this was not necessarily the case because of illegal slaughtering, he said. 20/8/92.

The directorate, Coetzee stressed, was responsible only for health and hygiene control within an abattoir. Outside abattoirs, this became the responsibility of the National Health Department and local authorities.



Perez Olindo of Kenya, who was recently appointed Bophuthatswana National Parks Board chairman, at a news briefing yesterday. Picture: ROBERT BOTHA

Redistribution of land is on the cards, says ANC

B/DAY 20/8/92.

BLOEMFONTEIN — It was not ANC policy to nationalise land, but "maldistribution" of land would have to be addressed and there would have to be redistribution, ANC agricultural spokesman Derek Hanekom told the Free State Agricultural Union annual congress yesterday.

The challenge faced by the ANC was the unequal access to land, productivity and efficient production to ensure sustainable food production.

Hanekom said a bigger problem than the forced removal of blacks from farm land was the prevention of people buying or leasing land.

The greatest source of income in rural areas had been remittances from migrant labourers, but as more people lost their jobs, those on the land became more dependent on subsistence farming.

Hanekom said the ANC proposed a land claims court to deal with people who had been forcibly removed.

He said the ANC land reform programme was not a socialist system, and gave Taiwan as an example of successful land reform.

He suggested a land tax could lead to the release of land by those who were not using it productively.

The ANC did not have a comprehensive agricultural policy, he said.

MP Paul Farrell (NP Bethlehem) said the NP and government regarded organised agriculture as the mouthpiece of the farmer. It was accepted that groups other than whites would have a voice.

Agricultural finance would depend on the repayment capacity of land. Surpluses were a bigger problem than shortages and quality would become increasingly important.

MP Dries Bruwer (CP Lydenburg), who is the CP's agriculture spokesman, said that Western economies would recover only if agriculture recovered. The CP believed a government which did not care for farmers, or did not recognise them as a special sector, was a stupid government.

The CP believed in private land ownership and commercial farming based on private initiative. It rejected any form of state interference that would lead to artificial redistribution of agricultural land, collective land ownership, and socialistic agricultural economic systems.

Land courts were not part of CP policy because a healthy legal system could deal with land claims. — Sapa.

Urgent need to plan for water shortage

B/DAY 20/8/92.

GERALD REILLY

PRETORIA — SA's limited water resources would force the country into a supply crisis unless co-ordinated planning and management techniques in the southern African region were developed swiftly.

This was stressed at the water week conference at the Council for Scientific and Industrial Research which ended yesterday.

Speakers said water scarcity intensified by mismanagement, degradation or underdevelopment of the region's water resources would hobble economic growth. Water Affairs engineer P H van Niekerk said the undervaluation of water would lead to shortages and low economic growth throughout southern Africa.

If the price of water was to reflect its scarcity, other options such as regional transfers and desalination would become viable, speakers said.

Correct pricing would control demand, encourage careful use and provide the finance to ensure a co-ordinated water resources development.

Water Affairs Commission executive director Piet Odendall said water demand from SA's growing population would outstrip supply by the second decade of the new century.

Speakers warned conflict among water users was escalating as growing needs outstripped the natural geographic availability of water.

Water Affairs engineer A H Conley said with the increasing scarcity of water and the reduction of suitable sites for new projects, the costs of supply schemes were rising rapidly.

For water provision to be sustained, the concept of users paying an economic price would have to be accepted, he said.

Speakers stressed SA's water supply sector remained highly fragmented. Institutions involved included homeland governments, local authorities and water boards.

Planners were confronted by alarming policy and strategy deficiencies that prevented comprehensive programmes being initiated in developing communities.

CT 21/8/92

Focus on meat hazards

(3) MEAT

Staff Reporter

A DRIVE to educate people about the health hazards of meat not slaughtered at approved abattoirs will begin on the Cape Flats, according to Dr M J de Budé, assistant director of meat hygiene at the Department of Agriculture.

This proposed educational drive follows the announcement of a system to be introduced by the department to identify all meat fit for human consumption.

Director Mr Jan Coetzee said the deregulation of the meat marketing scheme had led to control on the movement of meat falling away.

The directorate of meat hygiene is responsible for health and hygiene control only within the abattoirs.

Outside the abattoirs, responsibility lay with the Department of National Health and Population Development and local authorities.

● Sapa reports that the chairman of the Meat Board, Dr Fanie van Rensburg, has announced that from August 31 the levies payable by slaughter stock producers, which were implemented on July 1 this year, will be substantially reduced.

Extra meat but prices still rise

3 MEAT

CT 3/9/92

By PETER DENNEHY

ALTHOUGH meat price rises have been a major contributor to the present high inflation rate, there is a surplus of beef on the market at present.

This was confirmed yesterday in Pretoria by Dr P H Coetzee, senior general manager of the Meat Board.

He said that "on account of the prevailing drought more cattle were slaughtered during the first eight months of this year compared to the same period last year". The present supply of beef outstripped demand.

According to the rules of supply and demand, there should not have been an increase in the retail price of beef.

There had been no increase in the average auction price of beef in the past year, he said. In fact, it had declined by 2,7% between August 1991 and July this year, from R5,15 to R5,01 a kilogram.

Better deal

Sheep and lamb prices had risen by 11,3% at auction because of a shortage, he said.

GERALD REILLY reports that farmers would have to process, pack and market their products directly to compete with the "big ones" and give consumers a better deal, according to Transvaal Agriculture Union executive member Mr E C A Hiemstra.

Closing the gap between producer and consumer demanded positive action.

KATHRYN STRACHAN reports that Pick 'n Pay chairman Mr Raymond Ackerman said the answer to providing lower consumer prices lay with farmers and retailers working more closely together.

Pick 'n Pay bought betweeen 60% and 70% of its produce direct from farmers and made less than 2% net profit on its produce, he said.

He warned that if farmers became involved in retailing, he would "go farming".

David Pincus

ABACOR ~~Business~~ (3 Meat)

All systems go

FM 4/9/92.

FM 4/9/92. (3) Meat.

With the advertising campaign under way for several weeks now, government is confident that the State abattoir corporation, Abacor, is on track for a November JSE listing. But State officials aren't revealing many details yet. The sale is expected to take place November 25, but there's no word on how many shares will be issued and what the share price will be.

Only 20% of the shares will be available to the public. The rest will go to meat producers (a maximum of 45%), trade (30%) and Abacor staff (5%). The two merchant banks handling the deal are Rand Merchant Bank, acting on behalf of Abacor, and First Corp, acting for the State.

Abacor's asset value now is put at between R200m and R260m, but it's uncertain how much the meat industry will be deregulated before the listing. If the heavily restricted industry is dramatically freed up by deregulation measures that are due to be gazetted today, then the company's value could be cut sharply. It controls 11 of the 17 abattoirs serving urban markets and benefits from a law that only meat from animals slaughtered in urban abattoirs can be sold in urban areas.

But if government allows animals to be slaughtered in rural areas and the meat is to be sold anywhere, wholesalers may shift their operations out of the expensive and antiquated urban abattoirs. Already one of the Big Three wholesalers, Imperial Cold Storage, has indicated it would do this if deregulation clears the way.

Proponents of full-blown deregulation, however, are sceptical of what government might propose today because they believe that State officials want to maximise Abacor's selling price. Whatever reforms are proposed, they won't take effect in time for Abacor buyers to assess their impact on the company's profits.

"We would advise against buying shares in a prematurely listed Abacor," says Nils Dittmer, chairman of the Organisation of Livestock Producers. "Once Abacor has to compete freely in a deregulated market, it will not be able to retain profitability."

In the year to June 1991, Abacor generated a R19m surplus on a R122m turnover.

Dittmer says government also is maximising Abacor's value by selling it as a unit, instead of breaking it up and offloading individual abattoirs. By keeping abattoirs together as a package, Abacor has a better chance of maintaining its domination of the R7,5bn-a-year red-meat industry and fetching a higher price.

But Abacor MD Frans van der Vyver says that with only 40% of commercial slaughterings taking place at Abacor outlets, there can be no talk of an effective monopoly. "Even the Competition Board, which initially viewed Abacor as a monopoly, now views it as merely a dominant player."

Nevertheless, the board recommended in July that Abacor should "not simply be converted into a dominant private-sector business" and that a serious attempt should be made to sell it on a "fragmented basis." It also said privatisation should be preceded by meaningful deregulation of the industry (*Business & Technology* August 7).

But Privatisation Unit adviser Eugene van Rensburg is adamant that Abacor will be sold as a single unit and that deregulation should not precede, but accompany as closely as possible, privatisation.

Renown Fresh Meat MD Roy Smither, however, says he cannot envisage how privatisation will take place.

"Because Abacor cannot know at this stage which wholesalers will use its slaughter facilities after privatisation and deregulation, I cannot see how they can make an accurate profit forecast now."

Clearly this is an exercise that could leave as bad a taste as soaring meat prices have. ■

Gwynne fights the small man's battle

S/Times (Bus 7) 13/9/92, (3) Meat

Many laws inhibit business and growth. But the Sunnyside Group, SA's answer to America's Ralph Nader, is here to break down regulation and bureaucracy. By CIARAN RYAN.

APARTHEID may have disintegrated, but small entrepreneurs are still battling against restrictive laws.

The Sunnyside Group, formed in 1987 under the auspices of the Urban Foundation, gave voice to about 250 000 small businesses, many of which ran foul of the law in a battle for survival.

Sunnyside co-ordinator Gwynne Main says: "With employment running at about 40% we need to remove obstacles which inhibit job creation."

She spends her days in battle with regulators and an assortment of vested interests with no desire for economic deregulation. She has only one helper and Miss Main commissions expert reports to help her in the battle against hide-bound authority.

Prime

Sunnyside's latest success was a demonstration of the cost of regulation in the meat trade. Meat was sent from an abattoir to a Randburg butchery by the Organisation of Livestock Producers, bypassing the normal marketing and distribution channels. Prime cuts were sold for R9 a kilogram — half the normal retail price.

Miss Main says: "This shows what meat would cost if we didn't have inappropriate regulations."

She says meat prices shot up by 40% last year and look set for a similar jump this year.

The Randburg butcher was threatened with prosecution by the Meat Board in the face of mounting public opposition to its control of the trade and the effect it has on prices.

More than 1 000 regulations govern the red-meat

GWYNNE MAIN: A battler

trade, which is worth R3-billion a year at the producer level and R8-billion at the retail counter. The difference is the cost of intervention, regulation and retailers' mark-up.

Red meat is the largest part of the farming sector. The effect of controlled marketing and price-support schemes in the red-meat trade resulted in per capital consumption declining from 41,9kg in 1956 to 25,1kg in 1988, according to research by the University of Pretoria on behalf of privately funded Sunnyside Group.

Relief

The Meat Board is expected to implement some of Sunnyside's deregulatory proposals soon.

Miss Main is unconvinced about retailers' protestations of innocence about rising prices. She says: "There is a high degree of concentration in the food industry, coupled with extensive vertical and horizontal integration. Everyone in the food chain is contributing to price rises."

Miss Main says that until the Competition Board has the power to enforce its recommendations, State-sanctioned monopolies and cartels will continue.

The liquor trade is also receiving attention from the Sunnyside Group. An Ennerdale shebeen operator's application for a liquor licence was refused without reason by the Liquor Board, even though all the conditions set by the board were met.

There are an estimated 100 000 shebeens in Soweto and few have licences. Countrywide, shebeens net an estimated R65-million a month, a cause for concern among licensed liquor outlets.

Miss Main says: "Because of the proliferation of shebeens there has been a shift in trade from formal outlets. Police harass the shebeen owners, confiscate their liquor and offer bribes for the drink to be returned."

One of the successes of the Sunnyside Group was to influence Government to raise the threshold at which VAT applies to small businesses from an initial R50 000 to R150 000. Sunnyside proposed a threshold of R500 000.

Another success was the acceptance by the National Manpower Commission of several Sunnyside recommendations on labour legislation. It was recommended that small businesses be granted relief from the Unemployment Insurance Act and the Workman's Compensation Act on the grounds that the costs of compliance were too onerous.

Sunnyside has asked the Government to exempt very small businesses from certain requirements in labour law on the basis that emerging entrepreneurs may be illiterate and do not have the capacity to comply with complicated laws.

By exempting small businesses from income tax, the estimated loss of revenue to the fiscus would be less than 1,5%. The move would benefit 180 000 registered vendors and 900 000 individual taxpayers.

But given the revenue shortfall, the proposals are likely to fail.

Banging heads with the regulators throws up some interesting anomalies. Tax, labour, health and safety and municipal by-laws are widely ignored in the townships which have become virtual no-go areas for the authorities.

Roads

But there seems to be no shortage of manpower to harass entrepreneurs in other areas.

An entrepreneur trying to run his business from home in a northern Johannesburg suburb is threatened with closure by a local authority after a two-year unsuccessful wait for the go-ahead and R25 000 in legal fees.

Miss Main says: "This area has no services to speak of and no tarred roads. You'd think the local authority had better things to concentrate on."

Next on the battle list is the Public Accountants and Auditors Board. Miss Main says many accounting services are reserved for chartered accountants. Other accounting professionals are equally capable of carrying out the task, but are precluded by law.

A better cut for meat consumers

BIDM 16/9/92

GERALD REILLY

PRETORIA — The greater competition which would result from deregulation of the meat industry would benefit producers and consumers.

That was the view expressed by Meat Board vice-chairman and Red Meat Producers' Organisation chairman Gerhard Bronn yesterday.

Bronn was reacting to a statement made yesterday by Abacor MD Frans van der Vyver.

Van der Vyver said the Abattoir Corporation was ready to function in a deregulated environment.

Van der Vyver said that Abacor had functioned in a very competitive environment for a long time.

For that reason it believed the quality of its products would ensure a substantial market share in future.

(3) Meat

Attractive

The slaughtering trade had made increasing demands on abattoir managers which had led to fierce competition, he said.

This was due mainly to the free flow of meat from Class 2 abattoirs.

Abacor managed and operated 11 abattoirs, most in urban areas, and it could expect, therefore, even greater competition. By proving itself in a deregulated environment, Abacor would be an attractive investment.

Bronn said freeing the industry would break the Meat Board's control and there were big potential benefits for all industry players in the free market which would result.

Van der Vyver said all preparations for the privatisation of Abacor had been completed.

He declined, however, to say what value had been placed on the organisation by the merchant banks which had been appointed for the task by Abacor and by government.

"All I can say is that the shares will be marketed at R1 a piece."

Scheme could herald Abacor's privatisation

BIDAY 15/9/92.

(3) Meat

MEREDITH JENSEN

THE privatisation of the Abattoir Corporation (Abacor) could take place next month if a new meat scheme was approved, MD Frans van der Vyver said yesterday.

Once privatised, Abacor planned to list on the JSE, offering as much as R60m of government's existing stake in the company to the private sector.

Van der Vyver said a preference allocation of 45% of the total shares would be earmarked for producers, 30% for wholesalers and retailers and 5% for Abacor personnel. The general public would be able to purchase the outstanding 20%.

Blue Ribbon Meat CEO Gareth Ackerman expressed reservations about the privatisation.

"It seems to me that little will change with the privatisation of Abacor since 50% of the equity has been reserved for producers and Abacor management" he said.

The new meat scheme, advertised by the Meat Board in the Government Gazette last week, proposed the abolition of controlled and non-controlled areas as designated by the Board.

The distinction of controlled areas would be replaced by Class 1 and Class 2 abattoir requirements. Essentially, only meat slaughtered at these abattoirs would be approved for sale.

Abacor presently owns 11 Class 1 abattoirs, providing 42% of the country's total commercial slaughterings. According to Van der Vyver, privately-owned Class 2 abattoirs, which have been Abacor's major competition, account for an additional 40% of the market.

Organisation of Livestock Producers chairman Nils Dittmer said most Class 1 and 2 abattoirs were situated in and around the controlled areas.

"Other people wanting to break into the market will need a permit in order to get approved as a Class 2 abattoir."

The physical requirements alone, which included refrigeration facilities at the loading dock, could cost as much as R2m.

Police raid 'bush' abattoirs

(3) Meat

(Times [Cape Metro)

Sunday Times Reporter

POLICE this week raided two illegal Klein Karoo "bush abattoirs" and seized nearly two tons of ostrich meat and skins worth hundreds of thousands of rands on the black market.

The raids took place at a farm near Van Wyksdorp, where police seized 200 ostrich carcasses, at a farm near Oudtshoorn, where they seized 100 carcasses, and at a butchery in the town where they seized 250 kilograms of ostrich meat.

The raids come while there is growing discontent among farmers about prices and about the strangelhold over the slaughter and trade in ostriches by the Little Karoo Agriculture Co-Operative at Oudtshoorn. 20/9/92

Ostrich leather products have taken over from meat and feathers as prime exports to the Far East, particularly Japan and Taiwan.

Farmers are paid about R800 an ostrich skin by the co-op, but get twice this amount on the black market.

Extra levy request on Aussie mutton

MEREDITH JENSEN (3) Meat

THE Meat Board has requested an additional levy be placed on imported mutton from Australia. The new tariff could as much as double the price of the imported mutton while eliminating any incentive to import, according to industry sources.

In addition, the Board on Tariffs and Trade will not issue any more importation permits this year for Australian mutton because of pressure from the Meat Board, Blue Ribbon Meat chairman, Gareth Ackerman said. BDAY 21/9/92

Ackerman said Blue Ribbon Meats had ordered 360 tons of frozen mutton from Australia which was now sitting on a dock.

"The Meat Board has said we should not import because there is plenty of meat available locally," he said.

Meat Board chairman Pieter Coetzee said last week the local surplus of mutton was equal to the average consumption of three days in SA: "It is verging on irresponsibility to close one's eyes to the importation of carcasses for next to nothing by SA traders," he said.

A spokesman for the Board on Tariffs and Trade said the highly regulated environment in which only the Meat Board had been allowed to import had been replaced by a less regulatory structure, which accommodated private importers.

However, the Board on Tariffs and Trade can halt the issuing of importation permits for a product once an application for a levy on that product has been made.

MEAT DEREGULATION (3) Meat

Where's the beef?

FM 18/9/92

The long-expected deregulation measures for the red-meat industry were finally published in the *Government Gazette* last week and, as critics have predicted for the past year, they do not contain much deregulation.

"It is basically a fascist measure, retaining the old floor price and surplus removal

Cont P

(3) Meat FM 18/9/92

scheme," says Nils Dittmer, chairman of the Organisation of Livestock Producers. "All producers will still be forced to pay the levies, while only those in the now controlled areas will benefit from the scheme."

And, he adds, by imposing fines of R5 000 or up to two years in prison on producers breaking the new scheme's rules, "it does not say much for the spirit of deregulation." But, he says, at least government has accepted the principle that a new scheme must be in place before Abacor is privatised. The State is expected to sell Abacor on November 25 and critics fear that without wholesale deregulation, the privatisation will create a private monopoly because Abacor dominates slaughterings in urban areas (*Business & Technology* September 4).

The new scheme would end the system of "controlled" urban areas, under which meat sold in urban areas had to come from urban abattoirs. Now there would be certification rules that would allow only class 1 and 2 abattoirs to move their meat freely. The proposals also would remove direct Meat Board controls over the hides-and-skins trade. But overall, the new scheme would prolong the board's huge, restrictive powers.

Gwynne Main, a co-ordinator with the Sunnyside deregulation group, says any new scheme should prohibit the major special interests — such as Kanhym, Vleissentraal and Imperial Cold Storage — from being represented on the board. And, she adds, "levies must be voluntary, not imposed."

Pretoria University agricultural economist Jan Groenewald, whose department will be

FM 18/9/92 (3) Meat

one of many groups responding to the proposals before they become official, says he finds it strange that the scheme is "being hastily pushed through" while the Kassier committee — under Stellenbosch professor Eckhard Kassier — is now studying how to reform the control boards.

Dirk Coetzee, chief director, marketing, of the Department of Agriculture, defends the new scheme. "It does entail a strong deregulatory element because the board will no longer control the movement of meat into controlled areas." ■

Interest-free loan scheme slated

Meat Board plan to fund Abacor deals

3 meat

B/Day 22/9/92.

MEREDITH JENSEN

THE Meat Board plans to allocate as much as R60m in interest-free loans from its stabilisation fund to help selected producers and wholesalers to purchase shares in Abacor.

Meat Board GM Pieter Coetzee yesterday confirmed the plan was under consideration pending the approval of the Agriculture Minister.

The loans would be granted interest-free over a non-specified period, industry sources said.

Abacor could list on the JSE as soon as next month, offering government's undisclosed stake in the company to the private sector.

Auditor-General Peter Wronsley said he was aware of the loan plan and the matter would receive his further attention during the normal course of auditing the accounts of the Meat Board.

The offering will see a preference allocation of 45% of the total shares set aside for producers, 30% for wholesalers and retailers and 5% for Abacor personnel, leaving 20% for the general public.

The stabilisation fund, made up of levies paid by farmers, has traditionally been earmarked to stabilise meat prices through the board's floor price and surplus removal scheme.

Coetzee said the board was interested in assisting those farmers who were struggling because of the drought.

"We would like to help the farmers take up their 45% stake in Abacor," he said.

However, Abacor's privatisation was still contingent upon government approval of the Meat Board's deregulation scheme as advertised in the Government Gazette several weeks ago, he said.

Meat industry sources, who did not wish to be identified, expressed outrage at what they termed "blatant abuse" of the stabilisation fund.

"The Meat Board's deregulation scheme, as well as the privatisation of Abacor, is an example of the board changing hats as opposed to opening up the system to fair competition," one source said.

Imperial Cold Storage (ICS) meat division chairman Roy Smithers said: "If the Meat Board is going to do this it should be published in the Abacor prospectus so any investor wanting to buy shares could qualify for the interest-free loans."

Smithers said he was opposed to any one shareholder being treated differently from another shareholder.

He added that ICS had not decided whether it would invest in Abacor.

Abacor should list only once the meat trade was deregulated, he said. "Only after this can Abacor see how it will perform in a new market."

In addition, Smithers said Abacor was "jumping the gun" if it assumed ICS would

☐ To Page 2

Abacor

B/Day 22/9/92. 3 Meat

☐ From Page 1

continue to slaughter its animals at Abacor abattoirs after the controlled areas fell away. Once ICS could move its meat freely it might decide to slaughter its animals at its own abattoirs.

While the proposed scheme will eliminate the board's controlled areas, permitting the free movement of meat throughout the country, it will introduce Class I and Class II abattoir requirements.

At present, Abacor owns 11 abattoirs that will be Class I in and around the controlled areas, providing 42% of SA's total commercial slaughterings. Privately owned Class II abattoirs, which account for another 42%, are currently controlled by the "big three" in the industry — ICS, Kanhym and Vleissentraal.

If funds are made available by the board, producers and the big three could retain controlling interest in Abacor.

Agriculture Minister Kraai van Niekerk was unavailable for comment.

'Fraud' delays Meat Board

3 MEAT

ET 25/9/92

Staff Reporter

INTERNAL problems, including fraud, were some of the reasons given by the Meat Board for a delay in submitting its financial reports for three successive years, according to the senior assistant auditor-general, Mr C J Lourens.

The 1988/1989, 1989/90 and 1990/91 reports had been late, but the Meat Board's financial reports were now up to date, he said.

The auditor-general's office had to deal with more than 1 000 financial reports each year, and delays made this more difficult, he said.

Only 10%'

The Meat Board did not respond yesterday to queries about its "internal problems".

Earlier this week, senior general manager Dr P H Coetzee said that the average salary increase for the board's administrative staff this year was only 10% and 12% for other staff.

The Meat Board had begun retrenching staff in anticipation of deregulation, he said.

FM 28/8/92

CHOICE HOLDINGS 3 meat

Looking at refinancing

Chairman and major shareholder John Limberopoulos has taken only three years to bring DCM-listed Choice Holdings (former-

Activities: *Processes and distributes meat products.*

Control: *Directors 54,2%.* 3 meat

Chairman and MD: *I Limberopoulos.*

Capital structure: *10,1m ords. Market capitalisation: R3m.*

Share market: *Price: 30c. 12-month high, 35c; low, 15c. Trading volume last quarter, nil shares.*

Year to Feb 29	'90	'91	'92
ST debt (Rm)	1,8	1,9	1,5
LT debt (Rm)	1,6	2,8	3,3
Shareholders' interest	0,01	—	—
Int & leasing cover	—	—	1,1
Return on cap (%)	—	—	10,4
Turnover (% increase)	n/a	34	13
Pre-int profit (Rm)	(1,3)	(0,8)	0,9
Earnings (c)	(15,4)	(15,0)	(0,72)
Net worth (c)	0,7	—*	—*

* Negative after deducting goodwill.

ly Mighty Meat) to a trading profit. Firmer management and new operating and administrative systems have overcome problems at subsidiary Caterchoice.

Retailing outlet Mogale Mmabatho, based in Bophuthatswana and held 50% by Yabeng, made a "little contribution" of R197 000 in 1991 but provided only R49 000 last year. Limberopoulos says the introduction of VAT last September was largely to blame for the poor results from its 20 butcheries.

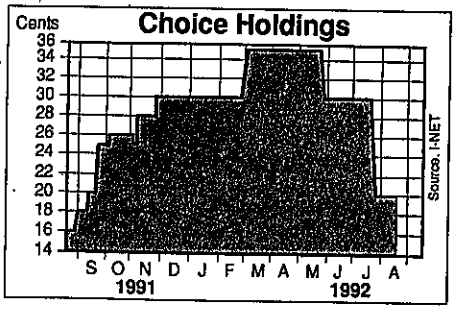
Management is looking at recapitalising the company this year, to finance new acquisitions as well as the recurring extraordinary item — Choice still has to pay Caterchoice's R2,5m goodwill, being paid off over 10 years.

Limberopoulos declines to disclose details of the refinancing as it could affect negotiations. He does say another acquisition may follow that of The Food Connection, bought for R240 000 in March. The Food Connection will allow Choice to acquire a larger market share in supplying to the restaurant and hotel trade.

Interest payments are still absorbing half the operating profit. Lower interest rates may bring some relief; fortunately, R2,03m of the net long-term debt is interest free and renewable annually.

Limberopoulos says the group should more than break even in the six months to August, when profit of R150 000 may be realised. The earnings outlook is better, but the share price still stands below the 45c Limberopoulos paid in 1989. Given the gearing and negative NAV (after deducting goodwill), the share remains speculative.

Kate Rushton



4. KLOUSULE 10 VAN DIE VORIGE OOREENKOMS: SIEKTEVERLOF

In subklousule (3) (a) Kraamverlof, vervang die woorde "vier maande" en "tydperk van vier maande" deur die woorde "ses maande" en "tydperk van ses maande" onderskeidelik.

Geteken te Kaapstad op hede die 2de dag van April 1992.

N. DANIELS,
Voorsitter.

M. T. FORREST,
Ondervoorsitter.

K. L. BARNES,
Sekretaris.

No. R. 2700 **25 September 1992**

WET OP ARBEIDSVERHOUDINGE, 1956

VLEISBEDRYF, OOS-LONDEN: WYSIGING VAN OOREENKOMS

Ek, Glen Morris Edwin Carelse, Adjunkminister van Mannekrag, verklaar hierby—

(a) kragtens artikel 48 (1) (a) van die Wet op Arbeidsverhoudinge, 1956, dat die bepalings van die Ooreenkoms (hierna die Wysigingsooreenkoms genoem) wat in die Bylae hiervan verskyn en betrekking het op die Onderneming, Nywerheid, Bedryf of Beroep in die opskrif by hierdie kennisgewing vermeld, met ingang van 1 Oktober 1992 en vir die tydperk wat op 30 September 1995 eindig, bindend is vir die werkgewersorganisasie en die vakvereniging wat die Wysigingsooreenkoms aangegaan het en vir die werkgewers en werknemers wat lede van genoemde organisasie of vereniging is; en

(b) kragtens artikel 48 (1) (b) van genoemde Wet, dat die bepalings van die Wysigingsooreenkoms, uitgesonderd dié vervat in klousule 1 (1) (b) met ingang van 1 Oktober 1992 en vir die tydperk wat op 30 September 1995 eindig, bindend is vir alle ander werkgewers en werknemers as dié genoem in paragraaf (a) van hierdie kennisgewing wat betrokke is by of in diens is in genoemde Onderneming, Nywerheid, Bedryf of Beroep in die gebied in Klousule 1 van die Wysigingsooreenkoms gespesifiseer.

G. M. E. CARELSE,
Adjunkminister van Mannekrag.

BYLAE

NYWERHEIDSRAAD VIR DIE VLEISBEDRYF, OOS-LONDEN

OOREENKOMS

ooreenkomstig die Wet op Arbeidsverhoudinge, 1956, gesluit deur en aangegaan tussen die

East London Meat Traders' Association

(hierna die "werkgewers" of die "werkgewersorganisasie" genoem), aan die een kant, en die

East London Meat Trade Union

(hierna die "werknemers" of die "vakvereniging" genoem), aan die ander kant,

wat die partye is by die Nywerheidsraad vir die Vleisbedryf, Oos-Londen,

4. CLAUSE 10 OF THE FORMER AGREEMENT: SICK LEAVE

In subclause (3) (a) Maternity Leave substitute the words "six months", and "six-month period" for the words "four months" and "four-month period" respectively.

Signed at Cape Town this 2nd day of April 1992.

N. DANIELS,
Chairman.

M. T. FORREST,
Vice-Chairman.

K. L. BARNES,
Secretary.

No. R. 2700 **25 September 1992**

LABOUR RELATIONS ACT, 1956

MEAT TRADE, EAST LONDON: AMENDMENT OF AGREEMENT

I, Glen Morris Edwin Carelse, Deputy Minister of Manpower, hereby—

(a) in terms of section 48 (1) (a) of the Labour Relations Act, 1956, declare that the provisions of the Agreement (hereinafter referred to as the Amending Agreement) which appears in the Schedule hereto and which relates to the Undertaking, Industry, Trade or Occupation referred to in the heading to this notice, shall be binding, with effect from 1 October 1992 and for the period ending 30 September 1995, upon the employers' organisation and the trade union which entered into the Amending Agreement and upon the employers and employees who are members of the said organisation or union; and

(b) in terms of section 48 (1) (b) of the said Act, declare that the provisions of the Amending Agreement, excluding those contained in clause 1 (1) (b), shall be binding, with effect from 1 October 1992 and for the period ending 30 September 1995, upon all employers and employees, other than those referred to in paragraph (a) of this notice, who are engaged or employed in the said Undertaking, Industry, Trade or Occupation in the area specified in clause 1 of the Amending Agreement.

Meat
3

G. M. E. CARELSE,
Deputy Minister of Manpower.

SCHEDULE

INDUSTRIAL COUNCIL FOR THE MEAT TRADE, EAST LONDON

AGREEMENT

in accordance with the provisions of the Labour Relations Act, 1956, made and entered into by and between the

East London Meat Traders' Association

(hereinafter referred to as the "employers" or the "employers' organisation"), of the one part, and the

East London Meat Trade Union

(hereinafter referred to as the "employees" or the "trade union"), of the other part,

being parties to the Industrial Council for the Meat Trade, East London, tot wysiging van die Ooreenkoms gepubliseer by Goewermentskennisgewing No. R. 2100 van 30 September 1983, soos verleng en gewysig by Goewermentskennisgewings Nos. R. 2083 en R. 2084 van 26 September 1986 en R. 2116 en R. 2117 van 29 September 1989 en R. 2649 van 18 September 1992.

1. TOEPASSINGSBESTEK

1. Hierdie Ooreenkoms moet nagekom word—

(a) in die Landdrosdistrik Oos-Londen; en

(b) deur alle werkgewers wat lede van die werkgewersorganisasies is en in die Vleisbedryf is, en deur alle werknemers wat lede van die vakverenigings is en in daardie Bedryf werksaam is.

(2) Ondanks subklousule (1) is hierdie Ooreenkoms van toepassing slegs op werknemers vir wie lone voorgeskryf word by klousule 4 van die Ooreenkoms gepubliseer by Goewermentskennisgewing No. R. 2100 van 30 September 1983, soos verleng en gewysig by Goewermentskennisgewings Nos. R. 2083 en R. 2084 van 26 September 1986 en R. 2116 en R. 2117 van 29 September 1989.

2. KLOUSULE 3: WOORDOMSKRYWING

(1) Onder "algemene werker", skrap "(m) vleis verpak en toedraai" en hernommer (n), (o) en (p) tot (m), (n) en (o).

3. KLOUSULE 4: BESOLDIGING

Vervang klousule 4 deur die volgende:

"4. BESOLDIGING

Geen laer besoldiging as die volgende mag deur 'n werkgewer betaal en deur 'n werknemer aanvaar word nie:

			Per week R
(a)	(i)	*Bestuurder—*	
		gedurende eerste jaar na die inwerkingtreding van hierdie Ooreenkoms	450,00
		gedurende tweede jaar na die inwerkingtreding van hierdie Ooreenkoms	495,00
		daarna	545,00
	(ii)	*Winkelkontroleur—*	
		gedurende eerste jaar na die inwerkingtreding van hierdie Ooreenkoms	305,00
		gedurende tweede jaar na die inwerkingtreding van hierdie Ooreenkoms	335,00
		daarna	370,00
(b)	(i)	*Vleistegnikus en/of bereider van vleisprodukte, gekwalifiseer—*	
		gedurende eerste jaar ondervinding	365,00
		gedurende tweede jaar ondervinding	400,00
		daarna	440,00
	(ii)	*Vleistegnikus en/of bereider van vleisprodukte, ongekwalifiseer—*	
		gedurende eerste jaar ondervinding	300,00
		gedurende tweede jaar ondervinding	330,00
		daarna	365,00
	(iii)	*Snyer—*	
		gedurende eerste jaar na die inwerkingtreding van hierdie Ooreenkoms	155,00
		gedurende tweede jaar na die inwerkingtreding van hierdie Ooreenkoms	170,00
		daarna	190,00

to amend the Agreement published under Government Notice No. R. 2100 of 30 September 1983, as extended and amended by Government Notices Nos. R. 2083 and R. 2084 of 26 September 1986 and R. 2116 and R. 2117 of 29 September 1989 and R. 2649 of 18 September 1992.

1. SCOPE OF APPLICATION

1. The terms of this Agreement shall be observed—

(a) in the Magisterial District of East London; and 3 Meat

(b) by all employers who are members of the employers' organisation and who are engaged in the Meat Trade, and by all employees who are members of the trade union and who are employed in that Trade.

(2) Notwithstanding the provisions of subclause (1), the terms of this Agreement shall apply only in respect of employees for whom wages are prescribed in clause 4 of the Agreement published under Government Notice No. R. 2100 of 30 September 1983, as extended and amended by Government Notices Nos. R. 2083 and R. 2084 of 26 September 1986 and R. 2116 and R. 2117 of 29 September 1989.

2. CLAUSE 3: DEFINITIONS

(1) Delete "(m) packing and wrapping of meat;" under "general workers" and renumber (n), (o) and (p) to read (m), (n) and (o).

3. CLAUSE 4: REMUNERATION

Substitute the following for clause 4:

"4. REMUNERATION

No employer shall pay and no employee shall accept remuneration lower than the following:

			Per week R
(a)	(i)	*Manager—*	
		during first year of operation of this Agreement	450,00
		during second year of operation of this Agreement	495,00
		thereafter	545,00
	(ii)	*Shop controller—*	
		during first year of operation of this Agreement	305,00
		during second year of operation of this Agreement	335,00
		thereafter	370,00
(b)	(i)	*Meat technician and/or smallgoodsman, qualified—*	
		during first year of experience	365,00
		during second year of experience	400,00
		thereafter	440,00
	(ii)	*Meat technician and/or smallgoodsman, unqualified—*	
		during first year of experience	300,00
		during second year of experience	330,00
		thereafter	365,00
	(iii)	*Cutter—*	
		during first year of operation of this Agreement	155,00
		during second year of operation of this Agreement	170,00
		thereafter	190,00

	Per week R
(c) *Los werknemer*—'n *Pro rata*-bedrag vir die werklike tydperk wat hy gewerk het teen die voorgeskrewe loon van toepassing op die klas werk wat hy verrig.	
(d) (i) *Klerk, gekwalifiseer*—	
gedurende eerste jaar na die inwerkingtreding van hierdie Ooreenkoms	275,00
gedurende tweede jaar na die inwerkingtreding van hierdie Ooreenkoms	305,00
daarna	345,00
(ii) *Klerk, ongekwalifiseer*—	
gedurende eerste jaar na die inwerkingtreding van hierdie Ooreenkoms	225,00
gedurende tweede jaar na die inwerkingtreding van hierdie Ooreenkoms	250,00
daarna	275,00
(iii) *Kassier*—	
gedurende eerste jaar na die inwerkingtreding van hierdie Ooreenkoms	145,00
gedurende tweede jaar na die inwerkingtreding van hierdie Ooreenkoms	160,00
daarna	175,00
(e) (i) *Winkelassistent*—	
gedurende eerste jaar na die inwerkingtreding van hierdie Ooreenkoms	165,00
gedurende tweede jaar na die inwerkingtreding van hierdie Ooreenkoms	180,00
daarna	200,00
(ii) *Winkelhulp*—	
gedurende eerste jaar na die inwerkingtreding van hierdie Ooreenkoms	130,00
gedurende tweede jaar na die inwerkingtreding van hierdie Ooreenkoms	145,00
daarna	160,00
(f) *Algemene werker*—	
gedurende eerste jaar na die inwerkingtreding van hierdie Ooreenkoms	120,00
gedurende tweede jaar na die inwerkingtreding van hierdie Ooreenkoms	135,00
daarna	150,00
(g) *Motorvoertuigdrywer:*	
Drywer van 'n motorvoertuig waarvan die onbelaste massa, tesame met die onbelaste massa van 'n sleepwa of sleepwaens wat so 'n voertuig trek—	
(i) hoogstens 500 kg is—	
gedurende eerste jaar na die inwerkingtreding van hierdie Ooreenkoms	140,00
gedurende tweede jaar na die inwerkingtreding van hierdie Ooreenkoms	155,00
daarna	170,00
(ii) meer as 500 kg maar hoogstens 2 500 kg is—	
gedurende eerste jaar na die inwerkingtreding van hierdie Ooreenkoms	165,00
gedurende tweede jaar na die inwerkingtreding van hierdie Ooreenkoms	180,00
daarna	200,00
(iii) meer as 2 500 kg is—	
gedurende eerste jaar na die inwerkingtreding van hierdie Ooreenkoms	190,00
gedurende tweede jaar na die inwerkingtreding van hierdie Ooreenkoms	210,00
daarna	240,00
(h) (i) *Massameter en prysvassteller*—	
gedurende eerste jaar na die inwerkingtreding van hierdie Ooreenkoms	130,00
gedurende tweede jaar na die inwerkingtreding van hierdie Ooreenkoms	145,00
daarna	160,00

(885) (3) Meat

	Per week R
(c) *Casual employee*—*Pro rata* amount for the actual period worked by him at the prescribed rate applicable to the class of work he performs.	
(d) (i) *Clerical employee, qualified*—	
during first year of operation of this Agreement	275,00
during second year of operation of this Agreement	305,00
thereafter	345,00
(ii) *Clerical employee, unqualified*—	
during first year of operation of this Agreement	225,00
during second year of operation of this Agreement	250,00
thereafter	275,00
(iii) *Cashier*—	
during first year of operation of this Agreement	145,00
during second year of operation of this Agreement	160,00
thereafter	175,00
(e) (i) *Shop assistant*—	
during first year of operation of this Agreement	165,00
during second year of operation of this Agreement	180,00
thereafter	200,00
(ii) *Shop attendant*—	
during first year of operation of this Agreement	130,00
during second year of operation of this Agreement	145,00
thereafter	160,00
(f) *General worker*—	
during first year of operation of this Agreement	120,00
during second year of operation of this Agreement	135,00
thereafter	150,00
(g) *Motor vehicle driver:*	
Driver of a motor vehicle, the unladen mass of which, together with the unladen mass of any trailer or trailers drawn by such vehicle—	
(i) does not exceed 500 kg—	
during first year of operation of this Agreement	140,00
during second year of operation of this Agreement	155,00
thereafter	170,00
(ii) exceeds 500 kg but not 2 500 kg—	
during first year of operation of this Agreement	165,00
during second year of operation of this Agreement	180,00
thereafter	200,00
(iii) exceeds 2 500 kg—	
during first year of operation of this Agreement	190,00
during second year of operation of this Agreement	210,00
thereafter	240,00
(h) (i) *Mass measurer and pricer*—	
during first year of operation of this Agreement	130,00
during second year of operation of this Agreement	145,00
thereafter	160,00

	Per week R
(ii) *Verpakker en toedraaier*—	
gedurende eerste jaar na die inwerkingtreding van hierdie Ooreenkoms	120,00
gedurende tweede jaar na die inwerkingtreding van hierdie Ooreenkoms	135,00
daarna	150,00

(i) *Deeltydse werknemer*—Minstens 60% van die gekwalifiseerde besoldiging teen die voorgeskrewe loon van toepassing op die klas werk wat hy verrig.".

4. KLOUSULE 5: BETALING VAN BESOLDIGING

Vervang subklousule (2) deur die volgende:

"(2) Daar mag van geen werknemer vereis word om, as deel van sy dienskontrak, kos of inwoning van sy werkgewer of op 'n plek deur sy werkgewer aangewys, aan te neem of om goedere van sy werkgewer te koop nie. Waar 'n werknemer instem om kos of inwoning of albei aan te neem, kan die werkgewer hoogstens die bedrae hieronder gespesifiseer, aftrek:

	Per week R
Kos en inwoning	30,00
Kos	20,00
Inwoning	10,00".

5. KLOUSULE 6: VERHOUDING VAN WERKNEMERS

Vervang subklousule (5) deur die volgende:

"(5) Wanneer enige werknemer die werk van 'n vleistegnikus verrig, word hy geag 'n vleistegnikus te wees.".

6. KLOUSULE 7: WERKURE

Vervang subklousule (6) deur die volgende nuwe subklousule (5):

"(6) Klousules 7(1) (b), 8 (2) en 9 (1) is nie van toepassing nie op 'n werknemer wat—

gedurende die eerste jaar na die inwerkingtreding van hierdie Ooreenkoms R19 000;

gedurende die tweede jaar na die inwerkingtreding van hierdie Ooreenkoms R21 000; en

gedurende die derde jaar na die inwerkingtreding van hierdie Ooreenkoms R23 000,

per jaar verdien.".

7. KLOUSULE 10: WERK OP SONDAE EN BESOLDIGING VIR WERK OP SONDAE

Vervang subklousule (2) deur die volgende:

"(2) Wanneer van 'n werknemer, uitgesonderd 'n los werknemer, vereis word om op 'n Sondag te werk, moet die werkgewer die werknemer minstens dubbel sy gewone loon betaal vir elke uur wat op 'n Sondag gewerk word.".

8. KLOUSULE 11: VAKANSIEDAE EN BESOLDIGING

Vervang subklousule (4) deur die volgende:

"(4) (a) Ondanks subklousules (2) en (3) moet aan 'n werknemer wat minstens vyf jaar ononderbroke diens by dieselfde werkgewer het, een ekstra week verlof per jaar, of besoldiging in plaas van sodanige week, na goeddunke van die werkgewer toegestaan word.

(b) Waar die diens van sodanige werknemer voor die voltooiing van 'n jaar diens beëindig word, moet die werkgewer, vir en in plaas van die verlof aan die werknemer, vir elke voltooide week diens in die onvoltooide jaar vier twee-en-vyftigstes van 'n week se loon betaal, bereken teen die loon wat die werknemer ontvang het toe sodanige diens beëindig is.".

885 3 Meat

	Per week R
(ii) *Packer and wrapper*—	
during first year of operation of this Agreement	120,00
during second year of operation of this Agreement	135,00
thereafter	150,00

(i) *Part-time employee*—Not less than 60% of the qualified remuneration at the prescribed rate applicable to the class of work he performs.".

4. CLAUSE 5: PAYMENT OF REMUNERATION

Substitute the following for subclause (2):

"(2) No employee shall be required as part of his contract of employment to board or lodge with his employer or at any place nominated by his employer or to purchase any goods from his employer. Where an employee agrees to accept board or lodging, or both, deductions not exceeding the amounts specified hereunder may be made by the employer:

	Per week R
Board and lodging	30,00
Board	20,00
Lodging	10,00".

5. CLAUSE 6: PROPORTION OR RATIO OF EMPLOYEES

Substitute the following for subclause (5):

"(5) Whenever any employee performs the work of a meat technician, he shall be deemed to be a meat technician.".

6. CLAUSE 7: HOURS OF WORK

Substitute subclause (6) with the following new subclause (5):

"(6) The provisions of clauses 7 (1) (b), 8 (2) and 9 (1) shall not apply to an employee who is in receipt of—

R19 000 per annum during the first year of operation of this Agreement;

R21 000 per annum during the second year of operation of this Agreement;

R23 000 per annum during the third year of operation of this Agreement.".

7. CLAUSE 10: SUNDAY WORKING AND PAYMENTS

Substitute the following for subclause (2):

"(2) Whenever an employee, other than a casual employee, is required to work on a Sunday, the employer shall pay to the employee not less than double his ordinary rate of remuneration for each hour worked on a Sunday.".

8. CLAUSE 11: HOLIDAYS AND PAYMENTS

Substitute the following for subclause (4):

"(4) (a) Notwithstanding anything contained in subclauses (2) and (3), an employee who has had not less than five years' continuous service with the same employer shall be granted one extra week's leave per annum, or remuneration in lieu of such week, at the discretion of the employer.

(b) Where the service of such employee is terminated before the completion of a year's service, the employer shall, for and in lieu of leave, pay to the employee for each completed week of service in the uncompleted year, four fifty-secondths of a weeks pay at the rate that the employee was receiving when such service was terminated.".

9. KLOUSULE 18: FONDSE VAN DIE RAAD

Vervang klousule 18 deur die volgende:

"18. FONDSE VAN DIE RAAD

Die fondse van die Raad, wat by die Raad berus en deur hom geadministreer moet word, word soos volg verkry:

(1) (a) Elke werkgewer moet ten opsigte van elke sakeonderneming wat hy besit of bedryf, 'n jaarlikse bydrae van R50,00 gedurende die eerste jaar na die inwerkingtreding van hierdie Ooreenkoms, R60,00 gedurende die tweede jaar na die inwerkingtreding van hierdie Ooreenkoms en R70,00 gedurende die derde jaar na die inwerkingtreding van hierdie Ooreenkoms, aan die Raad betaal. Sodanige bedrag is verskuldig op die datum van die inwerkingtreding van hierdie Ooreenkoms, of op die datum waarop hy tot die Vleisbedryf toetree, watter ook al die jongste datum is, en moet betaal word binne twee weke na die datum waarop dit verskuldig is.

(b) Elke werkgewer moet van die loon van elkeen van sy werknemers wat 'n loon van minder as R150,00 per week ontvang, R2,00 per maand gedurende die eerste jaar na die inwerkingtreding van hierdie Ooreenkoms aftrek, R3,00 per maand gedurende die tweede jaar na die inwerkingtreding van hierdie Ooreenkoms en R4,00 per maand gedurende die derde jaar na die inwerkingtreding van hierdie Ooreenkoms.

(c) Elke werkgewer moet van die loon van elkeen van sy werknemers wat 'n loon van R150,00 of meer per week ontvang, R3,00 per maand gedurende die eerste jaar na die inwerkingtreding van hierdie Ooreenkoms aftrek, R4,00 per maand gedurende die tweede jaar na die inwerkingtreding van hierdie Ooreenkoms en R5,00 per maand gedurende die derde jaar na die inwerkingtreding van hierdie Ooreenkoms.

Die werkgewer moet die totale bedrag wat aldus afgetrek is, voor of op die 10de dag van elke maand wat volg op die maand waarvoor sodanige betalings verskuldig is, aan die Sekretaris van die Raad stuur saam met die vorm voorgeskryf in Aanhangsel A.".

Namens die partye op hede die 16de dag van Maart 1992 te Oos-Londen onderteken.

I. R. DAWE,

Voorsitter van die Raad.

J. VAN DER MERWE,

Ondervoorsitter van die Raad.

J. A. NICHOLAS,

Sekretaris van die Raad.

9. CLAUSE 18: COUNCIL FUNDS

Meat

3

Substitute the following for clause 18:

"18. COUNCIL FUNDS

The funds of the Council, which shall be vested in and administered by the Council, shall be provided in the following manner:

(1) (a) Every employer shall, in respect of each business he owns or conducts, pay to the Council an annual contribution of R50,00 during the first year of operation of this Agreement, R60,00 during the second year of operation of this Agreement and R70,00 during the third year of operation of this Agreement. Such sum shall become due on the date of coming into operation of this Agreement, or on the date on which he enters the Meat Trade, whichever is the later, and shall be paid within two weeks of the due date.

(b) R2,00 per month shall be deducted by every employer from the wages of each of his employees who are in receipt of wages of less than R150,00 per week during the first year of operation of this Agreement, R3,00 per month during the second year of operation of this Agreement and R4,00 per month during the third year of operation of this Agreement.

(c) R3,00 per month shall be deducted by every employer from the wages of each of his employees who are in receipt of wages of R150,00 or more per week during the first year of operation of this Agreement, R4,00 per month during the second year of operation of this Agreement and R5,00 per month during the third year of operation of this Agreement.

The total amount so deducted shall be forwarded by the employer to the Secretary of the Council together with the form prescribed in Annexure A, not later than the 10th day of each month following the month in respect of which such payments are due.".

Signed at East London, on behalf of the parties, this 16th day of March 1992.

I. R. DAWE,

Chairman of the Council.

J. VAN DER MERWE.

Vice-Chairman of the Council.

J. A. NICHOLAS,

Secretary of the Council.

DEPARTEMENT VAN NASIONALE GESONDHEID EN BEVOLKINGSONTWIKKELING

No. R. 2672 **25 September 1992**

DIE SUID-AFRIKAANSE GENEESKUNDIGE EN TANDHEELKUNDIGE RAAD

REGULASIES WAT DIE OMVANG VAN DIE BEROEPE SPRAAKTERAPIE EN OUDIOLOGIE OMSKRYF: WYSIGING

Die Minister van Nasionale Gesondheid het, op aanbeveling van die Suid-Afrikaanse Geneeskundige en Tandheelkundige Raad, kragtens artikel 61 (1) gelees met artikel 33 (1) van die Wet op Geneeshere, Tandartse en Aanvullende Gesondheidsdiensberoepe, 1974 (Wet No. 56 van 1974), die regulasies in die Bylae hiervan uiteengesit, uitgevaardig.

BYLAE

1. In hierdie Bylae beteken "die Regulasies" die regulasies afgekondig by Goewermentskennisgewing No. R. 889 van 5 Mei 1988, soos gewysig.

DEPARTMENT OF NATIONAL HEALTH AND POPULATION DEVELOPMENT

No. R. 2672 **25 September 1992**

THE SOUTH AFRICAN MEDICAL AND DENTAL COUNCIL

REGULATIONS DEFINING THE SCOPE OF THE PROFESSIONS OF SPEECH THERAPY AND AUDIOLOGY: AMENDMENT

The Minister of National Health has, in terms of section 61 (1) read with section 33 (1) of the Medical Dental and Supplementary Health Service Professions Act, 1974 (Act No. 56 of 1974), on the recommendation of the South African Medical and Dental Council, made the regulations set out in the Schedule hereto.

SCHEDULE

1. In this Schedule "the Regulations" means the regulations published under Government Notice No. R. 889 of 5 May 1988, as amended.

Abacor row simmers

By DON ROBERTSON

THE Meat Board's plans to privatise its abattoir interests through Abacor continue to draw criticism.

The board denies that it intends to offer interest-free loans to farmers and meat traders from its stabilisation fund to allow them to subscribe for shares in Abacor.

Reports that R60-million from the fund would be offered to producers and traders attracted condemnation from several sources.

Abacor is the board's abattoir business. It runs 11 abattoirs and plans to privatise by offering 45% of the issued capital to producers, 30% to traders and wholesalers, 5% to Abacor staff members and 20% to the public.

The board has criticised a report from the Competition Board in July that its privatisation plans would merely convert a State-owned monopoly into a private one.

Ways

Senior general manager Pieter Coetzee says the board has discussed ways to help farmers to take up their 45% share allocation and a request from traders to borrow money to subscribe for their 30% allocation.

"No decision was taken, except that I, as general manager, was instructed to discuss the principle of loans to producers and traders with the Minister of Agriculture on his return from overseas. This discussion has not taken place."

Dr Coetzee insists that interest-free loans were never mentioned at any board meeting.

The intention to use money from the stabilisation fund has also angered the Competition Board, although it admits that this might be outside its jurisdiction..

Piere Brooks, chairman of the Competition Board, suggested in a recommendation to the Government in July that privatisation take place in a manner which results in tangible benefits for the public "and should not be used to favour or entrench vested interests".

Chickens

Dr Coetzee says the Marketing Act and the meat scheme say only that the stabilisation fund be used to advance the red-meat trade.

"When the Meat Board and the National Marketing Council are convinced of this, then it can be submitted to the Minister of Agriculture for his approval or rejection."

Dr Coetzee says deregulation will take place after the draft meat scheme, gazetted on September 8, is promulgated.

Nobody will be able to buy more than 10% of the shares. There are more than 20 000 red-meat producers and 6 000 traders. With only 40% of the slaughter stock going through Abacor abattoirs, how can a dominant position arise, he asks.

Aussie meat shipped with toxic waste 'safe'

CT 26/9/92 (3) MEAT

Staff Reporter

SIX containers of Australian mutton transported on the ship Maria Laura together with a cargo of toxic waste was tested extensively for contamination before being released into the food chain, according to the Department of Agriculture.

Dr Malcolm de Budé, deputy director of health hygiene, said the meat had been found to be safe.

The name of the importer of the meat could not be released, Dr. De Budé said.

The director of meat hygiene, Dr Jan Coetzee, said earlier this week samples tested by the South African Bureau of Standards for contamination by polychlorinated biphenyls (PBCs) "were all found to be negative".

The Maria Laura caused a public outcry when she docked in Durban harbour on August 10 carrying PCBs destined for disposal in Europe.

According to Dr Coetzee, the waste was stored in sealed metal drums in a sealed container, while the meat was sealed in refrigerated containers in a separate part of the ship.

Dr Coetzee said PCBs have been banned or severely restricted in many countries because they are toxic and environmentally damaging.

Abacor privatisation not yet cleared at Cabinet level

B/DAY 5/10/92. (3) Meat

MEREDITH JENSEN
and GERALD REILLY

SEVERAL aspects of the privatisation of Abacor still had to be cleared at Cabinet level, Agriculture Minister Kraai van Niekerk said yesterday.

He said a decision was expected within 10 days, when a full statement would be issued.

He said his department had taken cognisance of recommendations made in July by the Competition Board, which had expressed reservations about the deregulation and privatisation of the industry.

Organisation of Livestock Producers chairman Nils Dittmer confirmed at the weekend that complaints about the Meat Board's proposed new scheme are due to be lodged with Van Niekerk this week.

He said privatisation could create a situation of unfair competition, as nearly half the country's abattoirs would be controlled by Abacor.

Industry sources said producers, wholesalers and retailers, as well as meat importers had been objecting to the new scheme.

The Meat Board has maintained the new scheme would deregulate the meat industry, allowing for free movement of meat throughout the country while eliminating certain existing production requirements.

However, industry sources said the new scheme would extend more control to the board.

"The influence exercised by the Meat Board was formerly limited to the so-called controlled areas," a source said. The new scheme proposed to extend control over the entire country by imposing nationwide Class 1 and 2 abattoir restrictions.

All slaughtering would effectively have to be carried out at one of these approved abattoirs, most of which were owned and operated by Abacor or one of the big three — Kanhym, ICS and Sam's.

Dittmer said the new scheme would give "dictatorship" powers to the board. "With the new legislation, the Meat Board can enter your property at any time, without a court order, and confiscate your meat without asking questions."

Responding to allegations, Meat Board GM Pieter Coetzee said there was no conspiracy on the part of the board to retain control of the industry through producer shareholders in Abacor after privatisation.

Referring to claims that the board intended granting loans from the stabilisation fund to assist producers to buy Abacor shares, Coetzee said this had been requested by the Red Meat Producers' Organisation.

Coetzee said only producers with five or more years of association with Abacor would be entitled to a share allocation.

He said no one and no organisation could hold more than 10% of total share issue.

Producers were entitled to 45% of the share issue, the trade to 30%, the public to 20% and Abacor personnel to 5%. The possibility of producers gaining overall control was remote.

Meanwhile, Abacor GM Frans van der Vyver said Abacor had received a valuation of the organisation from Rand Merchant Bank, but details could not yet be released.

He said privatisation could not be finalised until the deregulation process had been completed.

Deadline for comment on the scheme was October 7, whereafter the National Marketing Council would make recommendations to government.

Only when the new scheme had been officially accepted could the privatisation process, including a stock exchange listing, be completed.

Govt department 'a toothless watchdog'

B/DAY 5/10/92

ANDREW KRUMM

THE aftermath of a fire at a pesticides warehouse in Midrand showed the Department of Environment Affairs up as "a toothless watchdog", DP environmental spokesman Rupert Lorimer said yesterday.

Lorimer said: "The problem is that there are too many authorities — some who do not know what they are doing — controlling the after-effects of an incident like this."

The September 19 chemical fire at the Rhone-Poulenc warehouse and resulting contamination allegedly caused the death of one man, made many others violently ill and forced the costly closure of surrounding businesses for up to four days.

"There is an obvious gap in legislation," he said, adding that the department had to be given legislative powers to investigate and prosecute environmental disasters themselves.

But Environmental Affairs director-general Colin Cameron defended SA's environmental laws, saying: "Our law is able to cope with most eventualities."

"That they need revision and a degree of rationalisation is obvious, but to say they are backward is too severe," Cameron said.

However, he said his department could not open a special investigation on the Midrand fire as the consequences did not fall within his department's ambit.

Wits University environmental law lecturer Peter Lazarus said the incident might result in SA's first direct environmental action as people claimed doctors' bills, working hours lost or losses from the closure of business.

Flight timing ranks tops in passenger poll

STEPHANE BOTHMA

FLIGHT timing was placed at the top of a list of factors influencing businessmen's choice of airlines, a survey conducted among international flyers showed.

And delays topped the list as the most common complaint among international business travellers.

A survey of business travel planning practices showed that 62% of these travellers chose an airline for times of departure and arrival.

Way behind in second place, with 12% of mentions, was an airline's safety record, the Reed Travel Group said at the weekend.

The cost of an air ticket accounted for just 11% of mentions, "past experience" 6%, inflight service 4% and incentives such as free travel 2%.

Flight delays scored 46% on the "aggravation scale", followed by in-flight service at 10%.

Complaints relating to problems with luggage scored only 6%, with check-in problems and dissatisfaction with hotel accommodation both scoring a low 4%, Reed Travel said.

Corporate travel policies were almost non-existent, with 84% free to choose any airline, 24% free to select the class of travel, 81% free to choose their hotel and 16% having no restrictions at all.

The companies surveyed in the UK, France, Germany, Sweden, Italy, Japan, Singapore and Hong Kong were mostly in manufacturing, followed by transport, communications and service industries.

Public invited to weekly auctions

Cheaper meat is on the way

(3) MEAT
ARG 7/10/92

ROGER FRIEDMAN, Staff Reporter

STOCKPILED mutton and lamb will be sold at cut prices at weekly Meat Board auctions starting throughout the country today.

Members of the public will be allowed to bid against meat retailers in an effort to prevent a repeat of events in July, when excessive profiteering forced the board to withdraw cut-price meat it had released from stockpiles.

Beef was released to shops three months ago on condition that it was not marked up by more than 10 percent.

But price monitors found that retailers were making profits far in excess of that and all stockpiled meat was removed from the market, board general manager Dr Pieter Coetzee said.

Bids from members of the public will be allowed at the series of weekly auctions starting today in an effort to prevent similar profiteering.

The average carton of mutton weighs 14kg and this is the minimum purchase. Prices are expected to be 10-15 percent below normal auction prices.

People who want to bid should contact the Meat Board and make arrangements to pay in cash or with a bank-guaranteed cheque.

July's release of meat followed a report in The Argus about the stockpiling of 9 000 tons of beef. The board now has 10 000 tons of deboned beef in store.

Dr Coetzee confirmed that the stockpile was still growing as the meat market was saturated. It would be sold "only when we perceive clear shortages, as we are doing today with the mutton".

"We are not ready to place the beef on the market at the moment because there is clearly no shortage."

A Cape Town trader said that 80 25 kg cartons of silverside he bought at a July Meat Board auction had disappeared under a "mountain of meat" in the city.

"The sale was confirmed but they can't find it because they have too much meat," the trader said.

"There are literally thousands and thousands of cartons in storage and my meat is presumably buried somewhere in the middle."

The board said: "We make use of outside facilities in Cape Town. We depend on them to deliver the goods.'.

Today's auction will include four cuts of mutton and lamb: loin, leg, shoulder and stewing meat. The reserve prices are: loin, R8,48/kg; leg, R8,88/kg; shoulder, R7,17/kg; stewing mutton, R6,68/kg.

Little to beef about

Staff Reporter (3) MEAT

NOT a single member of the public attended yesterday's auction of frozen Meat Board lamb and mutton at the Maitland abattoir, despite the abattoir being opened for bidding by all to prevent excessive profiteering.

Large-scale and massive profits accompanied the release by the Meat Board in July of stock-piled beef to shops which the board had stipulated should not be marked up by more than 10%.

But many retailers ignored the stipulation and now public bids against retailers are being allowed at weekly auctions to prevent another consumer rip-off. CT 8/10/92

In Cape Town, 1 545 cartons — or 10% of what was available locally — was sold at a total price of R134 790, which is an average of R6,23/kg.

The next Meat Board public auction will be next Tuesday, when frozen deboned beef will be sold in units of about 25kg.

Public buy tons as meat auctioned

STAR 8/10/92

(3) Meat

Consumer Reporter

More than 40 tons of lamb and mutton was sold at the Meat Board's first public auction of frozen meat in Johannesburg yesterday.

Cuts of leg, shoulder, loin and stewing meat were sold in 14 kg packs. Wessie Wessels, head of the board's surpluses and shortages department, said more than 3 000 packs had been sold.

The board said it would auction frozen deboned beef at abattoirs around the country on Tuesday. Shin, trimmings, hindquarter, flank, silverside, topside, forequarter and thick flank would be packed separately in 25 kg units.

Few turn up to bid for meat

(3) MEAT
ARG 8/10/92

ROGER FRIEDMAN
Staff Reporter

ANOTHER meat row has erupted, this time over the Meat Board's sale of meat cheaply to traders and consumers in an attempt to reduce its huge stockpile.

The first in a series of weekly auctions turned into a farce yesterday when little interest was shown in the meat and only 10 percent was sold.

The next auction will be held at the Maitland abattoir on Tuesday, when deboned beef will go under the hammer in 25 kilogram boxes, which will include prime cuts such as rump, silverside, fillet and sirloin.

The Housewives League is encouraging consumers to buy the meat, in groups if necessary as quantities are large.

Yesterday there was no response from the public because the sale was not publicised, while traders showed very little interest.

The 10 percent sold went for an average price of R6,23 a kilogram.

One consumer who tried to take advantage of the lower prices was Mr Aubrey Faber, but he said he was scared off by an "unhelpful and rude" response from the Meat Board to a telephone call.

Several traders at the auction claimed the scheme was a scam because the board's reserve prices were "ridiculously high".

They said they were able to import frozen mutton from Australia at R3,75 a kilogram before excessive levies were imposed by the board recently.

Dr Pieter Coetzee, senior general manager of the Board, defended the prices, saying traders were unwilling to buy the meat because they wanted to maintain high prices.

He said comparisons of the price of frozen and fresh meat was invalid because the frozen meat was sold as prime cuts only, whereas there was wastage and cheaper cuts when a whole carcass was bought.

"Obviously if you are buying legs of lamb you cannot compare the prices with whole lamb.

"The traders know if they buy at those prices they will be forced to pass on the savings to consumers.

"If the trade is not interested, the public should bypass it and bid for the meat."

The national vice-president of the Housewives League, Mrs Sheila Baillie, slammed the traders for their lack of interest, in spite of "holding no brief for the Meat Board".

"When an attempt is made to release meat for auction at lower prices traders should not drag their feet and argue negatively on cost.

"Granted, the meat is frozen and sold in standard pack sizes, but judging from our experience it is perfectly edible."

Most consumers bought meat and put it in their freezers anyway.

"It seems as if traders are not willing to see the cost of meat to consumers reduced."

Top grade lamb shoulder went for R7,17 a kilogram compared with Pick 'n Pay Claremont's R11,28, Shoprite Mowbray's R15,98 and OK Bazaars Adderley Street's R17,25 for top grade fresh.

Mutton loin went for R8,48 a kilogram compared with R12,98, R18,28 and R19,55 at the respective supermarkets.

Farmers to defy the Meat Board

S/Times (Buss) 11/10/92. (3) Meat

By CIARAN RYAN

THE Organisation of Livestock Producers (OLP) will challenge the Meat Board by selling meat nationwide at up to 45% below normal market prices.

OLP chairman Nils Dittmer says farmers are bypassing controlled marketing channels by shipping carcasses to the PWV in defiance of the board.

Plans are afoot to introduce a nationwide "Farm to Family" system of supplying meat direct to consumers.

The industry is worth R3-billion annually at producer level and R8-billion at the retail one. The difference is the cost of regulation, intervention and retailers' mark-up.

Opinion

Mr Dittmer says the OLP also plans to test the legality of the board in the Supreme Court on the grounds that it does not represent most producers as required by law.

OLP has obtained legal opinion which suggests that the Marketing Act, under which agricultural control boards are constituted, violates private and common law.

Abacor's plans for listing on the JSE before the end of the year have run into serious opposition. Sources suggest that attempts are being made to push Abacor's listing through before the end of the year, entrenching Meat Board control of the privatised corporation.

Both the Competition Board and the Policy Unit for Public Enterprises and Privatisation say the industry must be deregulated before Abacor can be privatised.

Sources say Abacor's listing will not be allowed to go ahead as planned. Meat Board general manager Pieter Coetzee replies: "De facto deregulation has been in place since June. We have been giving out permits to move livestock to the main markets freely since the middle of the year."

Competition Board chairman Pierre Brooks says: "We believe the privatisation of Abacor should bring benefits to the public. At present there is an overlap between the management of the Meat Board and Abacor's directorate.

"We also want Abacor's assets to be fairly valued. The company must be sold at a fair price."

The Competition Board is completing its report on deregulation in the meat industry.

The JSE is believed to have rejected Abacor's initial proposal for a listing because it set a 10% ceiling on individual share ownership.

In terms of the proposed share allocation, 45% of Abacor shares would go to meat producers, 30% to retailers and producers, 5% to Abacor staff and 20% to the public.

Abacor's articles of association place a ceiling of 10% on individual share ownership to prevent outright control by a single organisation or individual.

A JSE spokesman says that in terms of it rules, there are no restrictions on the transfer of shares.

An exception was made in Iscor's case to limit individual share ownership after pressure from the Government.

OLP says the Meat Board's proposed deregulation scheme as published in the Government Gazette in September is a sham.

Power

"We question the Government's motives for deregulating the meat industry," says Mr Dittmer.

"There appears to be no intention to cut back on the activities and staff of the Meat Board or to alter its composition."

He says the proposed deregulation gives the Meat Board even more power.

More than 1 000 regulations govern the red-meat trade, the largest component in the agricultural sector. The effect of controlled marketing and price support schemes in red meat resulted in per capita consumption declining from 41,9kg in 1956 to 25,1kg in 1988, according to the University of Pretoria. Mr Dittmer says deregulation will lower meat prices and increase consumption.

High prices slammed at meat sale

ARC 14/10/92

Staff Reporter 3 MEAT

THE Meat Board's second public auction at the Maitland Abattoir was better attended than the first, but there were several complaints that prices were too high and the auction system chaotic.

Consumers bought only 166 25 kg boxes of deboned beef, while traders snapped up a further 14 369 boxes.

The auctioneer allowed consumers to bid for single boxes first, before opening the sale to the trade.

Prices for single boxes reached R18,95 a kilogram for fillet, R14,15 for rump, R13 for sirloin and R8,55 for silverside and topside.

Housewife Mrs Judy Justus said the prices were ridiculous, but she bought a box of rump at R13,90 a kilogram because she "badly wanted it"

Mr Colin Hojem left empty handed, saying prices were too high for meat the Meat Board could not get rid of, and the auction system was chaotic.

Mr Sias Grobler called for the meat to be sold at set prices direct to the public rather than by "badly organised and chaotic auction".

Cape Town's Meat Board chief Mr Bertie Ackhurst conceded that facilities were not perfect to cater for public auctions, and that some could find the system strange, but he was "reasonably happy" with response.

Meat to be auctioned to consumers

CT 13/10/92
(3) MEAT

Own Correspondent

JOHANNESBURG. — The Meat Board yesterday announced plans to market beef and lamb directly to consumers.

Beef auctions will take place today throughout the country at controlled area abattoirs, according to a board spokesman. Members of the public will be able to buy deboned cuts in 25kg packs and prices are expected to be well below those paid in supermarkets.

Organisation of Livestock Producers chairman Mr Nils Dittmer said he was not surprised, and the move seemed to be an attempt to counteract negative press.

He said he suspected the board had bought in R60 million worth of meat under the floor price scheme in an attempt to keep prices from dropping too far.

Proposed tariffs could send meat prices soaring

(3) Meat

B/DAY 26/11/92.

MEREDITH JENSEN

RED meat prices could soar 40% if proposed tariffs on imported meat products were approved by the Board on Tariffs and Trade, industry sources said.

The Meat Board called for the new tariff structure last week in the Government Gazette.

Meat prices, which have come down in the past six months, had managed to remain stable partly because of cheap imports, sources said.

Tariffs for fresh or chilled boneless beef carcasses were currently set at 20% of the fob price, or R3/kg less 80% of fob, whichever was higher. The Meat Board had proposed a new tariff of 90% of fob or R2,20/kg for the carcasses.

Industry sources said nearly 30% of meat in SA was imported, most of which was earmarked for manufacturing purposes. Manufactured meat has traditionally been used for mass-feeding schemes, such as catering for the mines.

Clauss Trading MD Mike Henderson said feeding costs were quite significant at the mines.

"The mining houses are now saying if the price of red meat goes higher, they may not be able to use it to feed their workers."

Henderson said a 20% increase in the price of meat could mean a 5% hike in consumer costs.

EM Gaertner Trading director Patrick Gaertner said it appeared the Meat Board was using tariffs as a protection so it could raise the local price of meat.

In addition, he said the duty structure penalised cheap cuts, making it more expensive to land lower quality meat than more expensive cuts.

Gaertner said the new tariffs, if approved, would hurt his business significantly.

Sources said imports would be put out of reach if the proposed tariffs were approved, leaving volumes formerly imported to be supplied by the local market. Local prices would then rise because of the increased demand for local products.

Deputy Trade and Industry Minister David Graaff said the current system, which combined the issuing of import permits and protective tariffs, was unsatisfactory.

"We certainly hope the issuance of permits will be phased out within the next several months," Graaff said.

While the Department of Trade and Industry has indicated it did not favour unnecessarily high tariffs in general, Graaff said meat was a special case.

"There are very powerful lobbies involved," he said.

The Board on Tariffs and Trade will make its recommendations only after complaints regarding the proposed tariffs were filed, within the next four weeks.

Graaff said it remained to be seen what levels would be recommended.

Fraud, shortages cost Meat Board R1-m

Political Staff (3) MEAT 13/10/92 ARG

FRAUD and stock shortages have cost the Meat Board more than R1 million, accordding to parliament's financial watchdog, the Joint Committee on Public Accounts.

The disclosure comes at a time when South Africans are buckling under rampant food prices and questioning the existence of control boards.

The joint committee heard evidence on matters raised in reports on the Meat Board by the Auditor-General covering 1988 to 1991.

In a report tabled in parliament today, the committee expressed its concern at the fact that the board had "allowed its internal control measures to deteriorate to such an extent that this gave rise to fraud and stock shortages totaling R1 061 045".

As a result — and also because of a lack of proper documentation and control at the City Deep regional office — "amounts due by debtors could not be proved and will probably have to be written off".

Meat Board to sell directly to consumers

(3) Meat

MEREDITH JENSEN

13/10/92

THE Meat Board yesterday announced plans to market beef and lamb directly to consumers.

Beef auctions would take place today throughout the country at controlled area abattoirs, a board spokesman said.

Members of the public will be able to buy deboned cuts in 25kg packs and prices are expected to be well below those paid in supermarkets.

Organisation of Livestock Producers chairman Nils Dittmer said he had been expecting the move.

"It is not surprising they have done this

It seems like an attempt to counteract recent negative press, as well as Pick 'n Pay's R1m consumer subsidy."

Dittmer said he suspected the board had bought in R60m worth of meat under the floor price scheme in an attempt to keep prices from dropping too far.

Pick 'n Pay Butcheries western Cape GM Malcolm Simpson said the move placed the board in direct ... with the indus...

...pen said the beef would be deboned and sold as primal cuts in 25kg cartons. Cuts such as loin and fillet were expected to sell for R12,96 and R18,30 a kilogram respectively. Pick 'n Pay prices for the same cuts were quoted at R23 and R28.

Simpson said while auction prices for beef were significantly lower than Pick 'n Pay prices, lamb prices ... week's auction ...

Fraud, shortages cost Meat Board R1-m

Political Staff (3) MEAT 13/10/92 ARG

FRAUD and stock shortages have cost the Meat Board more than R1 million, accordding to parliament's financial watchdog, the Joint Committee on Public Accounts.

The disclosure comes at a time when South Africans are buckling under rampant food prices and questioning the existence of control boards.

The joint committee heard evidence on matters raised in reports on the Meat Board by the Auditor-General covering 1988 to 1991.

In a report tabled in parliament today, the committee expressed its concern at the fact that the board had "allowed its internal control measures to deteriorate to such an extent that this gave rise to fraud and stock shortages totaling R1 061 045".

As a result — and also because of a lack of proper documentation and control at the City Deep regional office — "amounts due by debtors could not be proved and will probably have to be written off".

Meat to be auctioned to consumers

CT. 13/10/92 (3) MEAT

Own Correspondent

JOHANNESBURG. — The Meat Board yesterday announced plans to market beef and lamb directly to consumers.

Beef auctions will take place today throughout the country at controlled area abattoirs, according to a board spokesman. Members of the public will be able to buy deboned cuts in 25kg packs and prices are expected to be well below those paid in supermarkets.

Organisation of Livestock Producers chairman Mr Nils Dittmer said he was not surprised, and the move seemed to be an attempt to counteract negative press.

He said he suspected the board had bought in R60 million worth of meat under the floor price scheme in an attempt to keep prices from dropping too far.

Board set to auction more red meat cuts

(3) Meat STAR 14/13/10/92

The Meat Board will hold its second public auction of frozen red meat cuts at various abattoirs countrywide this morning.

The auction will be held in Johannesburg, Maitland in Cape Town, Cato Ridge in Natal, Port Elizabeth, East London, Kimberley, Pyramid in Pretoria, and Bloemfontein.

Frozen, deboned beef cuts consisting of shin, trimmings, hindquarter flank, silverside, topside, deboned forequarter and thick flank will be auctioned at the abattoirs.

But fillet, rump and loin cuts will be auctioned only at the Johannesburg Meat Market.

A kilogram of fillet will cost R18,30, rump R12,80 and loin R12,96.

The cuts will be packed in 25 kg cartons and the prices will vary from area to area.

The board warned that the meat would not be available directly after the auction in areas such as Pretoria, East London, Cato Ridge and Bloemfontein. Regional managers in the areas would announce where and when the meat could be collected.

The board sold 40 tons of

mutton and lamb cuts in red

JHB at first public auction of meat. response the

High prices slammed at meat sale

ARG 14/10/92

Staff Reporter (3) MEAT

THE Meat Board's second public auction at the Maitland Abattoir was better attended than the first, but there were several complaints that prices were too high and the auction system chaotic.

Consumers bought only 166 25 kg boxes of deboned beef, while traders snapped up a further 14 369 boxes.

The auctioneer allowed consumers to bid for single boxes first, before opening the sale to the trade.

Prices for single boxes reached R18,95 a kilogram for fillet, R14,15 for rump, R13 for sirloin and R8,55 for silverside and topside.

Housewife Mrs Judy Justus said the prices were ridiculous, but she bought a box of rump at R13,90 a kilogram because she "badly wanted it".

Mr Colin Hojem left empty handed, saying prices were too high for meat the Meat Board could not get rid of, and the auction system was chaotic.

Mr Sias Grobler called for the meat to be sold at set prices direct to the public rather than by "badly organised and chaotic auction".

Cape Town's Meat Board chief Mr Bertie Ackhurst conceded that facilities were not perfect to cater for public auctions, and that some could find the system strange, but he was "reasonably happy" with

Cheap meat plan won't be stopped

CT 14/10/92 **Staff Reporter** 3 MEAT

A PLAN to sell meat to the public at cut-rate prices will not be stopped by the Meat Board.

The Organisation of Livestock Producers aims to sell meat nationwide at "up to 45% below normal prices" by by-passing controlled marketing channels.

Senior general manager of the Meat Board, Dr P H Coetzee, said calling a halt to the plan would not be in keeping with its proposed deregulation scheme.

"The proof of the pudding is in the eating. Let us see if they can provide meat at 45% below normal prices," he said.

OLP chairman Mr Nils Dittmer said this week that farmers intended to introduce a nationwide "farm to family" system of supplying meat direct to consumers.

It was envisaged that housewives would not need to go to the supermarket but could order all cuts of red meat from located factories, he said.

Savings of 30% at abattoir auction

Staff Reporter CT 14/10/92

(3) Meat

THREE HUNDRED people attended the Maitland Abattoir beef auction yesterday, half of them consumers eager to cash in on the bargain prices which offered savings of up to 30% over supermarket prices.

But bidding by consumers was tentative and they bought up only 166 of the 27 420 cartons available. However, consistant bidding by traders bumped up the total number of 25kg cartons sold to 14 369.

The Meat Board's regional manager, Mr Bertie Ackhurst, was satisfied with the turnout and said auctions would continue to be held every two weeks in an effort to eradicate the red meat surplus before the festive season.

Payment for auctioned meat must be made in cash or by bank guaranteed cheques and meat is sold in 25kg cartons only.

Those who braved the noisy, experienced traders managed to find savings of up to R9/kg or 30% for various blue grade beef cuts in comparison to supermarket rates.

The top bid for fillet was R20,85/kg as opposed to R29,98/kg at Pick 'n Pay supermarkets and R26,78/kg at all Checkers outlets.

Rump was auctioned for R15,57/kg — a saving of about R6/kg compared to most major supermarket outlets. However, a popular private butchery in Muizenberg offers cut and packaged rump at R13,98.

Meat Board to sell directly to consumers

3 Meat

MEREDITH JENSEN

THE Meat Board yesterday announced plans to market beef and lamb directly to consumers.

Beef auctions would take place today throughout the country at controlled area abattoirs, a board spokesman said.

Members of the public will be able to buy deboned cuts in 25kg packs and prices are expected to be well below those paid in supermarkets.

Organisation of Livestock Producers chairman Nils Dittmer said he had been expecting the move.

"It is not surprising they have done this. It seems like an attempt to counteract recent negative press, as well as Pick 'n Pay's R1m consumer subsidy."

Dittmer said he suspected the board had bought in R60m worth of meat under the floor price scheme in an attempt to keep prices from dropping too far.

Pick 'n Pay Butcheries western Cape GM Malcolm Simpson said the move placed the board in direct competition with the industry.

Meat Board production GM Peter Kempen said the beef would be deboned and sold as primal cuts in 25kg cartons. Cuts such as loin and fillet were expected to sell for R12,96 and R18,30 a kilogram respectively. Pick 'n Pay prices for the same cuts were quoted at R23 and R28.

Simpson said while auction prices for beef were significantly lower than Pick 'n Pay prices, lamb prices fetched at last week's auction were more or less the same.

"If the board is trying to compete with us, saying that we don't have to import mutton from Australia, then their lamb should be cheaper," Simpson said.

BD(Argus) 13/10/92

Making ends meat

Meat (3)
South 17/10 — 21/10/92.

By Justin Pearce

CAPE TOWN'S abattoir resembled a cattle market on Tuesday. But this time it was human beings queueing to enter the slaughterhouse.

The occasion was the first of the regular public auctions of frozen meat which the Meat Board has instituted to help reduce its stockpile. Previously, Meat Board auctions were open only to retailers.

"It's organised chaos," said a man who almost improbably gave his name as Mr Eric Bacon.

At least 100 enraged carnivores sweated it out in the sun, saying they had been told the auction was at 11am. Some had been there since 6am, hoping to be at the front of the queue. Many had taken time off work to try and save 30 percent on retail meat prices.

"They don't want the public here — that's why they're doing this to us," another man muttered.

There was also anger at the fact that all bids had to be approved by the Meat Board before purchases could be accepted.

It was midday before bidders were allowed to shuffle into the auction room. They squashed together on the floor as the seats were all occupied by the butchers who had been at an earlier auction.

Meat Board spokesperson Mr Henry van Rensburg said the Board had never announced an official time, since the frozen meat sale was to happen straight after the fresh meat auction, which was of indeterminate length. The idea that the public auction started at 11am stemmed from a press report, he said.

BIDDING FOR HIGH STEAKS: Meat Board auctioneer Leon Bredenhand gives the public their pound of flesh
Photo Yunus Mohamed

Tension raises over scabs

Sowetan 15/10/92 (3) neat

Transvaal workers bused to Durban abattoir during a strike:

TENSION ran high outside the Cato Ridge Abattoir, Durban, yesterday when 90 Transvaal workers were brought in as emergency labour during a strike for higher wages by about 800 workers.

Scores of workers remained outside on strike as the recruits entered the gates leading to the abattoir.

Many strikers did not know who the people in the bus were, but when union officials told them, they were angered. The general manager of the abattoir, Mr Kobus Eloff, confirmed that outside workers had been brought in to keep production going.

"You must remember that 800 people are on strike and we brought in only 80 people, so you cannot expect production to be on schedule. But it will be up to about 90 percent of last week's output."

The Food and Allied Workers Union expressed anger that management had brought in outsiders, saying they would picket outside the complex to protest the decision. - *Sapa*

JSE in dark over Abacor listing

MEREDITH JENSEN

AN application to list parastatal abattoir corporation Abacor still had not been received by the JSE, sources said yesterday.

JSE GM, listings, Richard Connellan said reports in the Press had kept him informed of Abacor's intention to list. However, Abacor had not made a formal application to the JSE.

Chairman of the government-appointed steering committee investigating the privatisation of Abacor, Eugene van Rensburg, said the privatisation and listing had been delayed pending approval of a new meat scheme.

B LDAY 21/10/92

He added that approval was a precondition to Abacor's privatisation.

Last month, Abacor MD Frans van der Vyver said the company planned to list on the JSE, offering as much as R60m of government's existing stake in Abacor to the private sector.

At the time, Van der Vyver outlined an allocation schedule that would see 45% of the total shares earmarked for producers, 30% for wholesalers and retailers, 5% for Abacor personnel and 20% for the public.

In addition, the Meat Board announced its intention to grant interest-free loans out of its stabilisation fund to selected producers and wholesalers so they could purchase Abacor shares. (3) Meat

Although plans for privatisation have been in the balance for the past few months, the company has undertaken an extensive TV campaign advertising its imminent privatisation.

Van Rensburg said internal work on a prospectus, and the preliminary structure for the listing, had been completed by Rand Merchant Bank (RMB). No one was available for comment at RMB yesterday.

Van Rensburg said he had the impression there had been informal discussions between RMB and the JSE.

He said the company had hoped to get into the marketplace before the year end. "However, we cannot approach the business community until it is clear how deregulation is going to work," he said.

HOUSE OF REPRESENTATIVES

QUESTIONS

†Indicates translated version.

For written reply:

General Affairs:

Importation of red meat

10. Mr L T LANDERS asked the Minister of Trade and Industry:

(1) Whether any permission has been granted since 1 January 1990 for the importation of red meat from Europe; if so, (a)(i) from which European countries and (ii) in what quantities and (b) to whom was such permission granted;

(2) whether any health controls were applied in respect of the red meat so imported; if so, (a) what controls and (b) what criteria were used for the granting of these permits;

(3) whether he will make a statement on the matter?

3 Meat

C53E

The MINISTER OF TRADE AND INDUSTRY:

(1) Yes, import permits for red meat have been issued by the Department of Trade and Industry during the period mentioned. The Department, however, simply issues import permits and does not prescribe to importers from which countries red meat should be imported.

(a) (i) Falls away.

(ii) 9 391 tons red meat have been imported from all parts of the world during the period 1 January 1991 to 30 June 1992.

(2) (a) and (b)

The Department of Agriculture is responsible for the application of health control measures.

(3) No. The Minister of Agriculture has already made a public statement in this regard on 7 August 1992.

Ministers' Council: Overseas visits

11. Mr T ABRAHAMS asked the Minister of Foreign Affairs:

(1) Whether his Department was involved in any visits abroad by members of the Ministers' Council in the House of Representatives in 1992; if so, (a) to what extent, (b) how many such visits were undertaken by each of these Ministers and (c)(i) when, and (ii) what was the (aa) destination and (bb) cost involved, in each case;

(2) whether any of these Ministers were accompanied on these visits by any other persons; if so, by whom in each case;

(3) whether he will make a statement on the matter?

C54E

The MINISTER OF FOREIGN AFFAIRS:

(1) Yes. The Department of Foreign Affairs assisted with the customary organisational and logistical arrangements in respect of official visits on request. Further information could be obtained from the various Departments involved which were responsible for all costs in respect of these visits.

(2) Falls away.

(3) No.

Own Affairs:

Contracts for erection of dwellings: certain firm

16. Mr W J DIETRICH asked the Minister of Local Government, Housing and Agriculture:

(a) How many contracts for the erection of dwellings were awarded during the period 1984 to 1989 to a certain firm, the name of which has been furnished to the Minister's Department for the purpose of his reply, (b) where were these dwellings erected, (c) how many were erected, (d) at what price was each of these dwellings sold to members of the public and (e) what is the name of the firm in question?

C49E

The MINISTER OF LOCAL GOVERNMENT, HOUSING AND AGRICULTURE:

(a) None.

(b) Falls away.

(c) Falls away.

(d) Falls away.

(e) Falls away.

Dept of Education and Culture: Meetings at Club Mykonos

20. Mr C I NASSON asked the Minister of Education and Culture:

(1) Whether officials of his Department held any management and/or other meetings at Club Mykonos in September 1992; if so, (a) what was the (i) nature, (ii) purpose and (iii) duration of each such meeting, (b) how many persons attended each such meeting and (c) what was the total cost to his Department;

(2) whether similar meetings were held (a) in 1990 and (b) at any other time in 1992; if so, (i) when, (ii) where and (iii) at what total cost to his Department?

C55E

The MINISTER OF EDUCATION AND CULTURE:

(1) Yes.

(a) (i) A Management Intelligence Meeting.

(ii) To address rationalisation and education budgetary problems.

(iii) 2 days.

(b) 44.

(c) R20 760.

(2) (a) No.

(b) No.

Dept of Education and Culture: Television equipment

21. Mr C I NASSON asked the Minister of Education and Culture:

(1) Whether, during the first week of September 1992, any television equipment belonging to his Department was loaned to a political party represented in this House; if so, (a) to which party, (b) what equipment, (c)(i) when, (ii) for what purpose, (iii) on whose instructions or authority and (iv) at what cost to his Department was it so loaned and (d) what is the total value of the equipment in question; if not,

(2) whether any such equipment was used by any person or organization other than his Department during the above-mentioned period; if so, (a) by whom or what organization, (b) what equipment, (c)(i) when, (ii) for what purpose, (iii) on whose instructions or authority and (iv) at what cost to his Department was it so used and (d) what is the total value of the equipment in question?

C56E

The MINISTER OF EDUCATION AND CULTURE:

(1) No.

(2) No.

Ministers' Council: Overseas visits

22. Mr T ABRAHAMS asked the Chairman of the Ministers' Council:

(1) Whether any members of the Ministers' Council in the House of Representatives paid visits abroad during the course of 1992; if so, (a) how many such visits were undertaken by each of these members and (b)(i) when, and (ii) what was the (aa) destination and (bb) cost involved, in each case;

(2) whether any of these members were accompanied on these visits by any other persons; if so, by whom in each case;

(3) whether he will make a statement on the matter?

C57E

The CHAIRMAN OF THE MINISTERS' COUNCIL:

(1) Yes.

(a) One each by Ministers A A Julies, A Williams, G N Morkel, P W Saaiman and Deputy-minister C B Herandien.

(b) (i) Minister A A Julies from 13 September 1992 until 24 September 1992.

Minister A Williams from 25 June 1992 until 11 July 1992.

Minister G N Morkel from 21

Cont →

is not an end in itself. "It should ultimately clear the decks for privatisation."

Simon Cashmore

ABACOR FM 23\10\92

More homework to do

Faced with a storm of objections, government will apparently postpone the November 25 privatisation of the R240m Abattoir Corp (Abacor). (3) meat

Opponents argue that Abacor shouldn't be privatised until the meat industry is thoroughly deregulated because anything less would entrench the company's dominant position in the R10bn-a-year industry. Deregulation proposals announced early last month did not fit the bill and have been fiercely attacked by cattle farmers, meat retailers, supermarket chains and other groups for not going far enough.

"The whole matter has reached a very sensitive stage," says Chris Blignaut, the Deputy Director-General of Agriculture. "But until the new meat scheme is finalised, I cannot see how Abacor can be privatised."

The new, deregulated meat scheme was supposed to take effect at the same time as the privatisation. But the sheer volume of objections that must be studied has probably been enough on its own to force a postpone-

continued

 FM 23\10\92 (3) meat.

ment. To accommodate the objections, the period for making submissions to the department was extended by two weeks, until yesterday, making it even more improbable that Abacor could be privatised soon.

The objections are being examined by the National Marketing Council, which would make recommendations to Agriculture Minister Kraai van Niekerk. Abacor MD Frans van den Vyver says Abacor is ready, but the ball is in Van Niekerk's court.

Rand Merchant Bank assistant GM Martin Keyser says his bank has completed the groundwork for Abacor to go for a listing. "But I'm not 100% sure if this will be in 1992 or in 1993 because we are waiting for the delicate decisions on deregulation."

JSE GM Richard Connellan points out that it takes at least six weeks after a listing proposal is received before it can take place, and the proposal for Abacor's listing has not yet been received.

The signs, therefore, point to a postponement until well into next year — provided an acceptable meat scheme is first passed by government.

From the tone of their submissions, the critics of the proposed scheme will not be easy to quieten.

"The new system would lead to the same results — meat will not move freely," says the Sunnyside Group deregulation lobby. "What is also important is that the current monopoly status enjoyed by Abacor should not continue or be replaced by another monopolistic situation. If privatisation of Abacor is to succeed, it is essential that the meat industry first be encouraged to be more efficient and that a more competitive environment be created."

Roy Smither, MD of Imperial Cold Storage's meat division, Renown, calls the proposal a bad joke. "In fact, it is even more draconian than the old scheme. With all the changes that need to be made (to the new scheme) I would be surprised if we have a new meat scheme by mid-1993. This means that the Abacor privatisation should also be postponed to later in 1993. Government has a lot of thinking to do — and they have not been listening."

The board's draconian powers are more than a bad joke for John Page, a Berlin farmer who applied for state permission to erect an abattoir on his farm bordering Ciskei. He has just been told that only "approved" abattoirs can operate — though local people slaughter cattle purchased from his farm under the nearest tree and sell the meat in the open air without prosecution.

"But I have been told that if I dare to slaughter without a permit I will be prosecuted — as has already happened to my neighbour. I don't know what to do with my plans to operate an abattoir for Ciskei people on my farm, but all I know is that with its double standards the system is unfair and makes no commercial sense." ■

Pick meat 'n pay less

BDay 6/11/92

MEREDITH JENSEN

CONSUMERS will see lower prices for red meat today at Pick 'n Pay branches and Hypermarkets throughout the Transvaal, says Blue Ribbon Meat CEO and Pick 'n Pay director Gareth Ackerman.

He said yesterday the company had allocated R3m in subsidies to reduce the price of meat to consumers. The new prices would remain in effect until the end of January.

The price for porterhouse and rump steaks dropped from R22,68/kg to R19,98, while legs of lamb and loin chops came down nearly R2/kg to R13,58 and R17,58 respectively. The price of pork chops was cut from R15,95/kg to R13,88/kg.

(3) meat

"We want to bring prices down in order to encourage people to start eating meat again," Ackerman said.

Ackerman predicted the price of meat could skyrocket before Christmas. Meat prices in Zimbabwe had already doubled in the past two weeks.

Meanwhile, the Meat Board said yesterday it would launch an advertising campaign highlighting the economic advantages of red meat.

R36m drought aid fails to shake Meat Board's base

GERALD REILLY

THE Meat Board's financial base is strong in spite of R36m in drought aid for meat producers in the 1991/1992 financial year, board GM Pieter Coetzee said at the weekend.

The board's annual report for the year to end June showed it had R253,9m in its three reserve funds. 3 Meat

Coetzee said because of the aid to producers in the form of reduced levies, board income from beef levies fell from R68,2m last year to R41,1m this year, and the income from sheep levies from R16,1m to R7,3m. BDAY

"We expect to spend another R25m from reserves during the current financial year supporting financially stressed producers," Coetzee said. 19/10/92

Long-term stability was essential for the continued existence of the producer, consumer satisfaction and the development of a responsible trade sector, Coetzee said.

Vleissentraal chairman Hannes Besselaar hinted at the organisation's AGM last week that meat prices would drop after the opening up or abolition of controlled areas.

It would be an opportunity for red meat marketers to find and exploit new marketing channels, he said.

The group's turnover for the financial year had risen to R2,3bn from R2,1bn the previous year.

Meat Board hygiene worry rejected

(3) MEAT CT 23/10/92

By PETER DENNEHY

THE Meat Board has expressed serious concern about the control of hygiene for locally slaughtered and imported meat.

Referring to local meat, Meat Board chairman Dr S J J van Rensburg said in his annual report that "the credibility of hygiene inspection, which has now been passed on to the abattoir owner, is the source of a great deal of uncertainty".

Worrying changes had also been made recently to the system of importing meat, Dr Van Rensburg said.

Until 1990 the Meat Board controlled the amount of meat imported. Importers could now bring in as much as they wished, provided they paid the tariffs and duties levied.

The Department of Agriculture points out that importers may bring in meat only from approved abattoirs and cutting plants overseas. South African hygiene inspectors have to approve such overseas plants. Meat is also tested on arrival.

Yesterday, a Meat Board spokesman explained the reasons for the concern about imported meat.

He said it would be impossible to inspect every piece of meat when a full container came in, even though samples were taken by hygiene inspectors.

The Department of Agriculture responded that the Meat Board's comments in its annual report were out of line with the board's view, given in an earlier media release, that it was satisfied with the hygiene for imported and local meat.

When the Meat Board had been responsible for importing, it had often complained about the strict standards for quality.

Meat deregulated before legislation

ST Times (Buss) (3) meat

8/11/92.

By DON ROBERTSON

DEREGULATION of the R10-billion meat industry is in effect, although the legislation abandoning the meat scheme has not been promulgated.

Deregulation basically means that independent class two abattoirs in uncontrolled areas are able to move carcasses throughout the country. It removes the Meat Board's control over livestock and meat products in controlled areas.

Normal

Previously class two abattoirs had to meet the demands in their own areas before they could send meat to others. The new set-up could lead to cheaper meat.

Class one abattoirs are owned and operated by Abacor, which is independent of the Meat Board. The board does, however, control the supply of livestock to abattoirs.

The move was precipitated by the Organisation of Livestock Producers last month. It threatened to sell meat at about 45% below normal prices.

De facto deregulation was implemented in June. De jure, it was to have been completed after the draft meat scheme was gazetted on September 8. The scheme was to have been promulgated after a delay while objections were considered.

Deregulation of the meat scheme was tied to the privatisation of the SA Abattoir Corporation (Abacor), which had intended to seek a JSE listing on November 25.

Objections from many sources forced Minister of Agriculture Kraai van Niekerk to extend the time for objections for a second time.

The first deadline for submitting objections was October 21, having been extended from September 22. It has now been extended for four weeks.

Opponents of the Abacor privatisation believe that what they call a State-controlled monopoly will become a privately-owned one.

Their fear is based on the planned offer of shares in the new company. It would offer 45% of shares to producers, 30% to wholesalers and traders, 5% to Abacor staff and 20% to the public.

If producers and traders do not fully subscribe for their shares, they will be offered to the public.

The prospectus will insist that no shareholder be allowed to own more than 10% of the company. Abacor could encounter difficulty with the JSE over this clause.

Clause

The JSE does not allow a restriction on the percentage of shares that may be held in a company by one person or group. As a result, the planned privatisation of Abacor has been postponed for about four months while it awaits the official deregulation of the industry.

Abacor managing director Frans van den Vyver says that although deregulation has not been legalised, meat is moving freely throughout the country. There should, therefore, be no objection to privatisation of the company.

The free movement of meat is a result of the Meat Board's not having the infrastructure to police the movement of carcasses from uncontrolled areas.

Mr Van den Vyver says: "Meat is moving into metropolitan, controlled areas even though this is against the present statute. The meat does, however, have to meet hygienic requirements.

"Class two abattoirs are now able to sell directly to butchers with the blessing of the Meat Board, although many people are abusing the concession."

Class one and class two abattoirs each slaughter about 40% of livestock, the rest coming from country abattoirs. Class one abattoirs process about a million cattle, 4,2-million sheep and 420 000 pigs annually.

Capex

Mr Van den Vyver says Abacor is prepared to go ahead with its privatisation as soon as it gets the go-ahead from the Minister of Agriculture.

Mr Van den Vyver insists that Abacor is involved only in the slaughtering of livestock and has no control over the products after that.

The preferential allocation of shares to producers and traders is to reward them for their support over the years. They helped to build up reserves for future capital and replacement costs.

Capital expenditure requirements until the end of the century are expected to be R300-million. Of this, producers will supply 73% and consumers 27%. This means that producers will contribute 14c a kilogram, which will be deducted from the price paid to them. The meat trade and ultimately the consumer will pay 5,3c a kilogram.

The prospectus for the offer at an expected R1 a share is being prepared by Rand Merchant Bank.

In the year to June 1990, Abacor posted a taxed profit of R23,5-million and R19,2-million the following year. Attributable profits in the past year are expected to be about R16-million.

Abacor not such a good buy, say analysts

BDAY 11/11/92 (3) meat

MEREDITH JENSEN

PROSPECTIVE investors in Abacor would be buying shares at a substantial discount to net asset value when the state-run abattoir corporation was listed, analysts said.

Though initially Abacor could appear a good buy, analysts said the company offered only a marginal return on investment.

Sources said Abacor, presently valued at R350m, generated R15m in retained profits this year, indicating that potential investors would in fact earn less than 5% before tax.

In addition, Foodcorp group CE Dirk Jacobs said Abacor would require large amounts of working capital and capital expenditure after it privatised to set up an infrastructure for acquiring stock and distribution.

Analysts said Abacor intended to issue R60m worth of shares, enough to pay off its government loan.

Jacobs said shareholders would essentially be buying assets for 17% of their book value.

Industry sources said distributing assets at such a discount, with minimal capital outlay, could give Abacor an unfair advantage over private enterprise.

Rand Merchant Bank corporate financier Martin Keyser, who has been working on the Abacor listing, argued the discount would be market-related on current yields.

Neither Abacor nor Rand Merchant Bank would disclose actual figures with regard to the offering.

Although Abacor retained close to R15m a year in profits, it has never paid tax nor serviced its government debt. Jacobs said it would have cost Abacor close to R9m a year to pay off its debt, leaving the company with R6m of pre-tax profit.

Earlier this year, Abacor announced its intention to privatise as well as list on the JSE. But the company has been forced to put its plans on hold pending approval of a new meat scheme.

Producers to discount meat through trust

BDAY 13/11/92

MEREDITH JENSEN

THE Organisation of Livestock Producers has teamed up with a trust, dedicated to black economic empowerment, to distribute discounted meat to buyers at the lower end of the market.

Organisation chairman Nils Dittmer said the discounted meat would be supplied to Thebe Investment Corporation by the Farm to Family franchise, which was backed by the producers.

Thebe MD Vusi Khanyile, formerly a top official in the ANC treasury department, was overseas and unavailable for comment. ANC treasurer-general Thomas Nkobi said Thebe no longer had any links with the ANC.

Dittmer said a large financial institution, which wished to remain anonymous, had provided premises in central Johannesburg for Thebe. It would also purchase refrigeration units to store the meat.

Producers would supply the meat to Thebe at reduced prices, allowing the company to realise a predetermined profit from sales of R2 and R5 packs. Thebe's overheads would be subsidised by the anonymous sponsor, Dittmer said.

Dittmer said Farm to Family had been set up by meat producers and private enterprise to deliver meat to consumers for as much as 45% less than regular retail prices by eliminating links in the meat supply chain.

(3) Meat

Blue Ribbon Meat chairman and Pick 'n Pay director Gareth Ackerman said he welcomed any form of competition.

Foodcorp executive director Henning van Aswegen said: "These guys may have to learn the hard way. It is a long road to selling meat."

Govt 'favours' privatising Abacor

BDAY 16/11/92.

MEREDITH JENSEN

AGRICULTURE Minister Kraai van Niekerk and Finance Minister Derek Keys met members of the Economic Forum last week to discuss the deregulation of the meat industry and privatisation of state-run abattoir corporation Abacor, a government spokesman said at the weekend.

Van Niekerk reportedly said at the meeting that government supported plans for Abacor's privatisation. However, he said the meat industry should be deregulated first.

(3) Meat

Van Niekerk said he expected the proposed meat scheme to be approved by year-end, giving the go-ahead for Abacor's privatisation early next year.

In addition, Van Niekerk said government would not favour the fragmentation of Abacor. "He said Abacor should be sold as one entity rather than be broken up," a source who attended the meeting said.

The Competition Board and the Organisation of Livestock Producers have recommended that Abacor be split up, to ensure fair competition in the marketplace.

☐ To Page 2

Abacor

BDAY 16/11/92

(3) Meat

☐ From Page 1

Competition Board chairman Pierre Brooks, who did not attend the meeting, said selling Abacor in its present form could eliminate the potential for smaller businessmen to enter the market.

"This would particularly affect those emerging business sectors which, until now, have not had the opportunity to enter this market at all," Brooks said.

Van Niekerk said government insisted that Class 1 and Class 2 abattoir restrictions, as called for in the proposed meat scheme, be implemented. This would limit the venue for slaughtering to those specific abattoirs.

Brooks said these restrictions could raise problems regarding unfair competition. "We would have reservations about this as it would give Abacor abattoirs a distinct advantage in the marketplace."

Foodcorp executive director Henning van Aswegen echoed Brooks' sentiments: "The way Abacor intends to privatise, it may be changing from a state-run monopoly to a private monopoly."

Van Aswegen said Abacor should be split up and sold as separate abattoirs, allowing people in the private sector to enter the industry.

Brooks said he did not believe the last word had been heard on the issue. Neither the government-appointed committee headed by Eckart Kassier, which was investigating the role of the marketing boards, nor the marketing board had offered input.

Further issues regarding the proposed meat scheme could emerge before the privatisation process had been approved, Brooks said.

Row brewing over Xmas meat prices

③ MEAT

CT 14/11/92

Own Correspondent

DURBAN. — A furious row is brewing between the Meat Board and certain retailers over a "substantial Christmas red meat price increase".

A butchery chain group said yesterday persistent rumours of such an increase suggest that the Meat Board plans to renege on its assurances that it would not increase its floor prices.

The Meat Board on the other hand has insisted that the floor price cannot affect the increasing market price as it has not been changed since July this year, and will not change before 1993.

Blue Ribbon chief executive Mr Gareth Ackerman said consumers were "fed up" with Christmas price hikes being explained away by the "lame excuse" of "seasonal trends".

He described such price increases as "an obtuse way of celebrating Christmas".

Meat Board senior general manager Dr Pieter Kempen accused Mr Ackerman of a "lack of knowledge of the meat industry".

"The price of meat normally rises over the Christmas period, mainly because of the supply and demand conditions at that time of the year. The many holidays during the festive season make it difficult to slaughter sufficient animals," he said.

Proposed tariffs could send meat prices soaring

(3) Meat

B/DAY 26/11/92.

MEREDITH JENSEN

RED meat prices could soar 40% if proposed tariffs on imported meat products were approved by the Board on Tariffs and Trade, industry sources said.

The Meat Board called for the new tariff structure last week in the Government Gazette.

Meat prices, which have come down in the past six months, had managed to remain stable partly because of cheap imports, sources said.

Tariffs for fresh or chilled boneless beef carcasses were currently set at 20% of the fob price, or R3/kg less 80% of fob, whichever was higher. The Meat Board had proposed a new tariff of 90% of fob or R2,20/kg for the carcasses.

Industry sources said nearly 30% of meat in SA was imported, most of which was earmarked for manufacturing purposes. Manufactured meat has traditionally been used for mass-feeding schemes, such as catering for the mines.

Clauss Trading MD Mike Henderson said feeding costs were quite significant at the mines.

"The mining houses are now saying if the price of red meat goes higher, they may not be able to use it to feed their workers."

Henderson said a 20% increase in the price of meat could mean a 5% hike in consumer costs.

EM Gaertner Trading director Patrick Gaertner said it appeared the Meat Board was using tariffs as a protection so it could raise the local price of meat.

In addition, he said the duty structure penalised cheap cuts, making it more expensive to land lower quality meat than more expensive cuts.

Gaertner said the new tariffs, if approved, would hurt his business significantly.

Sources said imports would be put out of reach if the proposed tariffs were approved, leaving volumes formerly imported to be supplied by the local market. Local prices would then rise because of the increased demand for local products.

Deputy Trade and Industry Minister David Graaff said the current system, which combined the issuing of import permits and protective tariffs, was unsatisfactory.

"We certainly hope the issuance of permits will be phased out within the next several months," Graaff said.

While the Department of Trade and Industry has indicated it did not favour unnecessarily high tariffs in general, Graaff said meat was a special case.

"There are very powerful lobbies involved," he said.

The Board on Tariffs and Trade will make its recommendations only after complaints regarding the proposed tariffs were filed, within the next four weeks.

Graaff said it remained to be seen what levels would be recommended.

Cheap meat for Randburg

MEREDITH JENSEN

THE Organisation of Livestock Producers plans to supply meat in the Randburg area for up to 40% less than average retail prices, says chairman Nils Dittmer.

Dittmer said yesterday the group had secured premises for the Randburg franchise of Farm To Family, the soon-to-be launched scheme designed to deliver meat to consumers at reduced prices. The meat would be supplied privately by producers.

"We have located a suitable factory in Randburg where it will be possible to debone, primal cut and package the carcasses," Dittmer said.

Consumers, wholesalers and retailers would be able to buy the boxed meat directly from the franchise, said Dittmer.

The organisation would supervise the franchisee, ensuring low prices as well as the quality of the meat sold.

Quality Meats of Birnham butcher David McBride said he welcomed the idea of Farm To Family. "I am hoping there is a way for me to become an outlet for the franchise," he said.

McBride, who has been marketing his meats below average retail prices, said he he had struggled to be competitive with the big retail chains.

"Retail prices should, in effect, be much lower than those of a small butchery because of the large volumes they buy."

McBride said it was important to look at the factors which contributed to retailer's high costs. (3) meat

One source, who formerly worked for a large retail chain, said retailers battled with shrinkage — a combination of administrative errors as well as theft by employees, customers and suppliers. Problems were often difficult to identify as the stores were so big. "One year, we had R80m in shrinkage," he said.

Dittmer said Farm To Family aimed to increase the consumer base for meat.

"By lowering prices, we hope to make meat more readily available to more people," he said.

Although Farm To Family promised to deliver meat at reduced prices, Dittmer said only animals slaughtered at approved abattoirs, where the meat was examined by health inspectors, would be sold.

"By slaughtering at an approved abattoir and having the meat inspected, we believe it is fine for the market."

Dittmer said plans to open Farm To Family franchises in Illovo, Lanseria and Soweto were under way.

Grim year forecast for red meat industry

(3) meat

GERALD REILLY

PRETORIA — The red meat industry is heading for another grim year with producer prices likely to decline in real terms, says SAAU's Red Meat Producers' Organisation manager Gerhard Schutte.

The recession, he said, was almost certain to persist in 1993 and consumers' spending capability was likely to shrink further — with a consequent decline in demand.

The drought had made enormous demands on the industry and the larger supplies had caused prices to decline to the lowest level in the past decade.

The year had been a difficult one and next year promised to be no better.

Schutte said recent rains had resulted in a decline in cow slaughtering, indicating the start of a herd-building phase.

This, under more normal conditions, would have meant a hardening of prices.

However, he said, the average beef price in the new year should rise by only 5% and the mutton price by 7%. In real terms, this would mean prices would decline.

22/12/92

New exemptions to red meat controls

STimes [BUSS] 6/12/92 (3) meat

By DON ROBERTSON

THE Department of Agriculture has taken another step in the relaxation of controls over the red meat industry.

Last week the Department promulgated regulations regarding exemption from certain provisions of the Abattoir Hygiene Act 1992.

The exemptions relate to the need by abattoirs to employ vets and meat inspectors, the requirement that all animals be inspected before slaughter and the removal of meat from abattoirs before it has been inspected and approved.

Another requirement which could be exempted is that animals be slaughtered in a humane way and in accordance with certain methods and procedures.

Louis Theron, head of media services at the Department of Agriculture, said that should exemptions be granted in the first three instances, the meat must be specially marked and may not be transported outside the local authority in which the abattoir is situated.

This further relaxation brings closer the privatisation of Abattoir Corporation (Abacor), which has been postponed for about four months because of the large number of objections. Opponents believe that privatisation should not take place until the meat industry has been fully deregulated.

Deregulation of the industry to date has seen the abolition of trade factor registration and freer movement of meat throughout the country, which in effect means the abandoning of controlled areas. In addition, offal pools have been handed over to Abacor.

Exemptions must be accompanied by comments from the local authority and may be withdrawn at any time. In addition, other conditions may be set.

Focus blurred

I WOULD like to respond to an article which appeared in Business Times (October 18) under the headline "M & F claims top spot".

It is unfortunate that the focus of the telephone interview your reporter had with me regarding the activities of rating concerns was so conclusively formulated in two short paragraphs. In particular, the penultimate paragraph does not correctly reflect the policy of the Financial Services Board, with more specific reference to the financial and other provision of the applicable legislation.

In addition to information contained in the statutory return, the Registrar has the authority to demand information from insurers. An insurer who *inter alia* does not comply with the financial provisions of the Act may be prohibited from issuing any further policies, be placed under judicial management or be wound up.

Widening horizons

Business Times Reporter

SOUTH African and Namibian companies have been invited to list in the Kenya Horizons Trade Directory, which is distributed to 26 000 businesses covering 22 preferential trade area countries and six Gulf nations.

ICS supports delay of Abacor listing

STAR 17/12/92

(3) meat

By Stephen Cranston

ICS, one of the Big Three meat producers, approves the postponement of the listing of the Abattoir Corporation (Abacor), says chairman Robbie Williams.

Writing in the annual report to September, Williams says that ICS supports in principle the privatisation of state assets, provided it is done in an orderly manner and does not result in existing state or quasi-state monopolies being replaced by de facto monopolies protecting vested interests.

A period of time after the removal of the restriction on the movement of meat is required in order to assess its potential profitability.

ICS does not favour plans to give meat producers preferential financing for the acquisition of shares in Abacor.

The distinction between controlled and uncontrolled areas for meat has been abolished, enabling ICS to source more livestock for slaughter at its own abattoirs.

MD Nick Dennis says economic circumstances and the introduction of VAT on fresh meat has had a detrimental effect on per capita consumption and volumes sold.

ICS has continued to move away from basic protein commodity products towards value-added branded lines.

Nick Dennis . . . detrimental effect on consumption of meat

New products launched during the year included Dairy-Maid's ice cream chocolate bars, Renown's Select range of premium processed meats, the Fiddlers and Pipers uncoloured cheeses and Festive's fresh poultry products.

Despite the long-term commitment to adding value and building brands, the short- and medium-term focus for the group remains low cost.

ICS's fresh milk interests operated in an unsettled environment as n industry levy was challenged in court and lost by the Dairy Board.

The growth of many small dairies resulted in competitive pricing in many areas, and the increased sale of long-life milk affected fresh milk sales.

Poultry experienced difficult trading conditions, particularly in the second half of the year because of industry overcapacity, low red meat prices and worsening economic conditions.

Since May, all yellow maize has been imported, increasing the price by 24 percent. There was an additional railage cost averaging R70 a ton.

The increase of 36 percent in the price of maize for animal feed was not recovered.

Dennis says that the focus of poultry subsidiary Festive Farms will be to remain cost competitive and to maintain the momentum created by adding value to poultry via high-quality branded fresh chicken and individually quick-frozen products.

ICS continued to obtain almost three-quarters of its earnings from associates.

Fedics, which is 46 percent held, enjoyed a satisfactory year and the international traffic brought by an increased number of foreign airlines impacted positively on the group's in-flight and airport catering operations.

The Protea Hotel group (which is 40 percent-held by Fedics) experienced marginal occupancy increases which, with strict cost controls, enabled Protea to show a good recovery.

Bull Brand, which is 50 percent-held by ICS, improved volumes and efficiency.

Acquisition of the Gants brand enabled Bull Brand to increase its share of the meat round-can market.

Sea Harvest, which is also 50 percent-held, enjoyed another successful year, during which satisfactory catches reflected the healthy state of the conservatively managed hake resources.

With many of foreign economies experiencing a downturn, demand for white fish has suffered and prices are under pressure. Sea Harvest is budgeting for a lower level of profits next year.

Dennis says that group profitability will be influenced by shortages or surpluses of protein and in particular milk, red meat and chicken.

The benefits of steps taken in recent years to rationalise operations will help the group achieve acceptable earnings next year.

Carrot needed, says Mouton

By David Canning

DURBAN — Extension of a "carrot" rather than "a stick" is suggested by the Mouton Committee as a way of getting people to save for their old age.

Among its complex 674 pages of analyses and recommendations released last week, the committee suggests that the state consider paying a special "bonus" for retirement savers.

The state bonus could be introduced on the basis of 10 to 20 percent of the capitalised value of the pension, subject to a maximum of say R3 000 to R6 000 (which could be increased). STAR 17/12/92.

A bonus at this level would increase all pensions of R250 a month by between 10 and 20 percent.

However, to limit the extent of the state's exposure, the committee suggests the bonus be phased out at a total pension income of about R10 000 per person.

It estimates the total cost of the bonus to the state would be R100 million to R200 million.

This is just one of many issues which the committee has put to the Government for a decision.

Many Natal sugar farmers still in the grip of drought

STAR 17/12/92

By David Canning sugar

DURBAN — Many Natal sugar farmers are still in the grip of a devastating drought which is slashing output and increasing already-high debt levels.

Recent heavy rains around Durban have missed important cane areas, particularly in parts of the Midlands and South Coast where — even if good rains now occur — many farmers expect their 1993 crops to be slashed by half.

Others face the enormous costs of having to replant most of their farms, pushing strained debt levels to unacceptable levels.

Moreover, the Land Bank has shocked some farm communities by refusing to help those it feels already have incurred too much debt.

Experts estimate the drought has cost the sugar industry R500 million this year — with serious effects on suppliers, labourers and the regional economy.

While there are hopes for an improvement next year, the carry-over effects of the drought mean the 1993/4 season will be far from normal — and there may be little sugar available for export.

Preliminary 1993/4 industry estimates are that the crop may improve to 1,7 million tons from this year's 1,5 million tons. Rain could alter this projection up or down.

Under normal circumstances the sugar crop — which is Natal's major product — should be from 2,1 million to 2,2 million tons.

Some farmers complain the banks encouraged their colleagues to over-extend themselves by placing excessive valuations on their properties.

Now that they need Land Bank assistance, their debt-to-asset ratio is too high.

The Cane Growers' Association estimates that about 80 of 550 applicants for Land Bank assistance could be turned down.

Rick Thompson, South Coast regional economist with the association, says a number of serious side effects have accompanied the drought:

- The lack of employment allegedly has led to a spate of fires started by unemployed workers.

Burned cane has to be harvested rapidly, calling for increased labour. One farmer at Sezela says he has faced a series of 17 fires on his farm.

- Some farmers have had to retrench workers — or decline to take migrant labour. The situation has been aggravated by the return to Natal of many mine workers retrenched on the Reef.
- The lack of growth means low "cover" levels, leading to a weed problem.

The association estimates there will be an overall drop in the number of tons of cane crushed in the Midlands next year — while sucrose production at the three mills (Noordsberg, Union Co-op and Illovo) will drop from 391 689 tons in 1992 to 291 659 tons in 1993.

Brian Sugden of the association praises efforts of government authorities to help farmers, including a R20 million food distribution programme.

He is concerned about the plight of farmers unable to obtain financial assistance. However, great work has been done by special "credit committees" which have been set up under local magistrates.

These committees go into the individuals' circumstances — to determine whether their crises can be resolved.

Abattoir equipment 'old and obsolete'

ARGT 9/12/92 MEAT

Municipal Reporter

ELECTRICAL equipment and a transformer at Maitland Abattoir are 27 years old and obsolete, according to an official.

The transformer is overloaded and if it shut down all refrigeration equipment could fail, he said.

"If any part packs up it could shut the whole refrigeration plant and we would have a R3 million loss of meat."

If the transformer failed, it would be out of action for an indefinite period because the city electrical engineer did not have a replacement in stock, he said.

Repairing the transformer would cost R700 000, and replacing outdated switchgear, R750 000.

The city council amenities and health committee has approved project identification reports for the work, which means the need has been recognised but not necessarily that the money will be spent.

A question mark hangs over the future of the abattoir because the council — in the face of union opposition — has called for tenders for its use.

It is the last municipal abattoir in the country.

AGRICULTURE – MEAT.
1993

Illegal meat 'health risk'

CT 5/2/93

SALES of illegally slaughtered meat are creating a grave health risk in the Cape — specially the townships.

Deputy director of meat hygiene for the Department of Agriculture Dr Malcolm De Budé said growing numbers of people were selling the meat cheaply to the public, causing a "massive problem". Meat sold to consumers without being slaughtered at an approved abattoir and inspected by the local authorities was a serious health hazard, he said.

Salmonella and diarrhoea were some of the health problems that could face members of the public who ate the meat.

Chairman of the Organisation of Livestock Producers Mr Nils Dittmer said yesterday he was aware that some farmers were selling meat directly to the public.

(3) MEAT

(3)

Red meat prices set to soar

MEAT

STUTTERHEIM. — The Red Meat Producers' Organisation expects a sharp increase in the meat price soon. Eastern Cape chairman Sandy Stretton said consumers were likely to turn to alternatives as prices soared. The continuing drought and poor state of the economy would cause a drastic decline in supplies to the market. — Sapa

ARG 5/2/92

Meat tariffs 'must stay high'

B/Day 12/1/93.

PETER DELMAR

THE meat industry in SA would need substantial tariff protection in future because dumped imports posed a threat, a Board on Tariffs and Trade (BTT) spokesman said.

Speaking before today's expected release of the Kassier report on the agricultural marketing boards, BTT member Ruel Heyns was responding to allegations that the Meat Board continued to rely on high import duties while deregulating the pricing and distribution of meat.

Heyns said tariff protection for SA producers was justified by the high subsidies granted producers in particularly Europe, the US and Australia. The billions these producers received made it possible for them to effectively dump produce on SA at unrealistically low prices, he said.

Some 30% of SA's meat consumption is imported.

Heyns said BTT officials were processing a Meat Board November application for a range of sharply increased tariffs.

(3) meat

While the BTT was investigating the introduction of variable import duties, which could be adjusted on an ad hoc basis depending on ruling international food prices, Heyns said the board had so far only proposed that this be applied to sugar.

In the industrial sector, the board was not pursuing any major investigations into replacing formula duties with more simplified customs duties, although some smaller sectors were being looked at.

Late last year government introduced a set of straight ad valorem duties for pulp and paper, a precursor to the expected introduction of similar systems for other industries.

Likely meat price increase roasted

MEAT ARG 8/2/93

The Argus Correspondent

PORT ELIZABETH. — There was widepread criticism this weekend of a Red Meat Producers' Organisation (RMPO) announcement of a possible jump in the price of meat due to the drought and the poor economy.

The announcement by RMPO Eastern Cape chairman Mr Sandy Stretton triggered calls to the government to keep the tariff levels on imported meat down to help both the consumer and the local meat industry.

However, Mr Stretton's counterpart in Natal, Mr Theuns Botha, said while a slow increase in the price of the higher grades of meat was likely, the prices on lower grades were likely to stay constant because of an over-supply.

Mr Botha added that the increase over a number of months was unlikely to be more than 10 percent.

Organisation of Livestock Producers' (OLP) chairman Mr Nils Dittmar said although the price of red meat had increased dramatically for consumers, farmers had hardly received an increase for their meat in more than five years.

If farmers did not get a better deal for their meat, many were likely to be forced off their land, creating a further shortage for consumers, he said.

Consumer Union chairwoman Mrs Lillibeth Moolman said consumers were extremely sympathetic towards farmers who had struggled through the drought, slaughtering much of their breeding stock.

This meant a meat shortage was likely, but there was no need for the government to place punitive tariffs on imported meat.

These tariffs put meat beyond the reach of most consumers who would then turn to alternatives, perhaps permanently, resulting in a collapse of the local meat industry, Mrs Moolman warned.

This was echoed by Blue Ribbon Meat Corporation head Mr Gareth Ackerman who said: "Unrealistically high import duties force up the price of imported meat and, consequently, the decrease in overall supply pushes up the price of local meat."

"It is particularly so in view of recent Meat Board recommendations to government that import duties be set at a high level," Mr Ackerman said.

product to at least two cus-

was not heading for another heatwave and temperatures will be lower toda

Call to up meat price by 20%

CT 10/2/93 (3) MEAT

Staff Reporter

RED meat producers needed an immediate 20% increase in the price per kilogram of carcass — as top officials claimed yesterday that South Africa's agricultural mainstay was "under siege".

Vleissentraal chairman Mr Hannes Besselaar said at the annual congress of the Western Cape Red Meat Producers' Organisation at Gordon's Bay yesterday that the real price of beef had declined in the past four years to levels comparable with those of the mid-1960s.

Dr Jan Lombard, Vleissentraal's chief executive of strategic affairs, said from Pretoria that the producer was receiving only R5 per kilo carcass, when at least R7 per kilo was required.

The domestic economy was the red meat market's only salvation as there were prohibitive import duties for export meat to the European Community, Australia monopolised the Far East market, and African countries were unable to pay.

Although consumption had not declined because of the population growth, the consumer was hamstrung through "less money in their pockets", Dr Lombard said.

He said since the second quarter of last year that the Meat Board had been "buying in sporadically to keep red meat prices off the floor".

The combination of drought, recession and political uncertainty had red meat producers "under siege", Dr Lombard said.

He dismissed perceptions that red meat prices were galloping ahead of inflation and said prices had increased at below the rate of inflation.

Star 2/3/93

Paper titles move urged

CAPE TOWN — The registration of newspaper titles should be taken out of the political sphere, Dene Smuts (DP Groote Schuur) said yesterday.

Speaking in a debate on the Imprint Amendment Bill, she said the Newspaper Press Union and Media Council were both opposed to registration of newspapers.

The Department of Home Affairs had little more than a trademark function to avoid possible clashes between similar or identical titles.

As long as a Minister could regulate registration procedures, there was a danger of political abuse. "All that is really necessary, in the public interest and for the public record, is that a newspaper's publisher, address and proprietor be printed in every copy," Smuts said. — Sapa.

Star 2/3/93

Abakor to be privatised

CAPE TOWN — The Government is going ahead with the privatisation and stock exchange listing of Abakor, the State corporation which controls 41 percent of the abattoir industry, Agriculture Minister Dr Kraai van Niekerk announced last night.

(3) Meat

The deregulation of the meat industry had removed the last obstacles to privatising the corporation, he said.

Abakor no longer had a guaranteed market as before and would have to operate in a free market.

Abakor operates the abattoirs at Witbank, Pyramid near Pretoria, Krugersdorp, Johannesburg, Springs, Benoni, Bloemfontein, Kimberley, Cato Ridge, East London and Port Elizabeth. — Political Correspondent.

Star 2/3/93

Abakor to be privatised

CAPE TOWN — The Government is going ahead with the privatisation and stock exchange listing of Abakor, the State corporation which controls 41 percent of the abattoir industry, Agriculture Minister Dr Kraai van Niekerk announced last night.

3 Meat

The deregulation of the meat industry had removed the last obstacles to privatising the corporation, he said.

Abakor no longer had a guaranteed market as before and would have to operate in a free market.

Abakor operates the abattoirs at Witbank, Pyramid near Pretoria, Krugersdorp, Johannesburg, Springs, Benoni, Bloemfontein, Kimberley, Cato Ridge, East London and Port Elizabeth. — Political Correspondent

Abacor's listing set for end-May

BDAY 2/3/93. (3) Meat

TIM COHEN

CAPE TOWN — The privatisation of Abacor would go ahead and the listing of the abattoir company responsible for about 40% of SA's slaughterings would take place by the end of May, the Agriculture Department announced yesterday.

Agriculture Minister Kraai van Niekerk said now that the deregulation had taken place, the last impediment to the privatising of the meat industry had been removed.

This meant that Abacor's market could no longer be guaranteed. Greater commercial freedom would stimulate competition and only the quality of Abacor's service would guarantee its market share, he said.

The final date for Abacor's listing on the stock market was due to be announced soon.

GERALD REILLY reports Van Niekerk told the Red Meat Abattoir Association congress in Pilanesberg yesterday that red meat producers and consumers had to be protected against unfair competition from heavily subsidised meat dumped by developed countries.

He said government policy was to prevent dumping through control and import tariffs, but that it was untrue that tariffs instead of quantitative control was a burden for consumers and that it had negative economic implications for agriculture.

He said the Board on Tariffs and Trade should see to it that effective internationally accepted anti-dumping procedures were in place to protect producers against disruptive competition and the consumer against high tariff walls.

Van Niekerk said another problem facing the industry was the alarming increase of uncontrolled bush slaughterings in the past few years.

He said there could be no guarantee that illegally slaughtered meat carried no serious diseases and pointed out that there was ignorance in the townships of the dangers of eating uncontrolled slaughtered meat.

The problem could be addressed by encouraging the meat trade to become involved in supplying local "butchers" and spaza shops with reasonably priced good quality meat.

Sapa reports that Abakor MD Frans van der Vyver welcomed government's decision to privatise the abattoir corporation.

Abakor could now compete with its rivals on an equal basis and it should therefore benefit the consumer.

Shares in Abakor would be available to the producer, the meat trade, the public and Abakor's employees. No individual or organisation would be allowed to buy more than 10% of the shares. In this way, Abakor would try to prevent the forming of a monopoly, Van der Vyfer said.

□ Meanwhile, Abacor yesterday announced a breakthrough in the fight against air pollution.

Abacor said locally produced environment-friendly air filters were being used at a number of its plants to curb industrial odours.

Star 3/8/93

Meat traders want Abacor broken up

(3) Meat

By Stephen Cranston

There has been widespread condemnation from the retail and wholesale trade of the decision to proceed with the privatisation of Abacor.

Gareth Ackerman, GM of Blue Ribbon, which runs butcheries in Pick 'n Pay stores, says that government has decided to go ahead with privatisation before the policy committee on the Kassier investigation into the control boards has had a chance to deliberate on it.

Kassier recommended that abattoirs should be privatised individually and Abacor no longer operate as a corporation.

Abacor MD Frans van der Vyver says, however, that Kassier did not attempt to discuss the issue with Abacor. Van der Vyver is convinced that Abacor will be a viable investment but individual abattoirs will not be attractive.

Cape Town municipality has had an abattoir on the market for eight months.

ICS company secretary Ian Isdale says that until the revised Meat Scheme is promulgated investors will not know in which environment Abacor is operating.

Overcapacity

He also says that it is a very bad time to consider investing in the meat industry, which is suffering from low prices and overcapacity.

Competition Board chairman Pierre Brooks says that it is too early to say that Abacor has proved itself as commercially viable under deregulation.

Ackerman says that Abacor's past profits will have no bearing on its future prospects. With deregulation, small abattoirs have been set up and the big three meat producers Vleissentraal, Kanhym and ICS have sent more animals through their own facilities.

Until deregulation, which officially took place in January, meat could not be moved from unregulated areas to regulated areas. Abacor was the only operator in the regulated areas, which are in the main metropolitan centres.

But Abacor MD Frans van der Vyver says that restrictions on movement of meat effectively ended at the beginning of 1992. Abacor initially suffered from deregulation but "it has recovered."

Abacor was now free to compete with the big three producers, though it had no plans to move downstream into the wholesale side.

Deregulation

Brooks says that deregulation still has a way to go. There was concern that hygiene standards were being pitched extravagantly high and created a barrier to entry for competitors.

It is, however, expensive to ship live animals to the metropolitan areas and it is considered more humane to slaughter closer to where cattle are raised.

Feedlots have been limited to 40 percent of the meat quota but their share could easily rise to 60 percent, Ackerman predicts. Many of these feedlots had abattoirs attached or nearby.

There was a swing towards supplying retailers with primal cuts instead of carcasses and Abacor was not equipped to do this, says Ackerman.

It is strongly speculated that Abacor will be sold at a massive discount to net asset value as it is a potential lossmaker in a competitive environment.

But Meat Board GM Pieter Kemper says if Abacor had not provided a good service to the market it would have been impossible for it to survive.

Abacor, however, will be under more pressure in the private sector as it will be paying tax and expected to pay dividends.

Keys pledged not to privatise Abacor — Cosatu

Dirk Hartford

FINANCE Minister Derek Keys had given Cosatu an undertaking that Abacor would not be privatised under the current government, Cosatu general secretary Jay Naidoo said yesterday.

BDAY 4/3/93

If reports that government intended to privatise Abacor by the end of May were true, then government was reneging on its undertaking, Naidoo said.

He called on Keys to "bring his colleagues into line" with the understanding reached.

Cosatu has long been campaigning for a halt to all "unilateral economic restructuring".

Agriculture Minister Kraai van Niekerk said on Monday that the privatisation of Abacor would go ahead with a JSE listing by the end of May. He said deregulation of the industry had removed the last obstacle to privatisation.

Naidoo said Cosatu had agreed it was necessary to deregulate those controls — like the bar on the production of hides and skins at abattoirs — which made Abacor uncompetitive. But Abacor's future was still subject to negotiation — which privatisation was trying to pre-empt.

(3) meat

ANC moots cattle farming in Kruger Park

MARIANNE MERTEN

THE ANC was looking at all categories of land — including conservation areas like the Kruger National Park — which might be used more effectively.

ANC land desk and agriculture spokesman Derek Hanekom said SADF and SA Development Trust land was under consideration by the organisation as part of its land policy.

He said yesterday: "Land is a scarce resource which needs to be put to its best use." As an example of the ANC's approach to the land issue, he said an area of the Kruger Park, which was the largest tract of conservation land in SA but ran at a loss every year, might be better used for cattle farming. "This is not to suggest we are looking at it seriously. It is a matter of principle."

3 meat

Our Durban correspondent reports that ANC environment spokesman Prof Stan Sangweni said the organisation was investigating the wise use of resources, including wildlife, to ensure "fuller participation by local communities". It was examining examples from other African countries where local communities were directly involved in managing protected areas.

ABACOR

FM 5/3/93.

Pushing through privatisation

(3) Meat

When government tried to push through the privatisation of Abattoir Corp (Abacor) late last year without first deregulating the meat industry, everyone from cattle farmers to meat wholesalers and deregulation lobbyists let out a collective howl. The project was shelved.

Agriculture Minister Kraai van Niekerk, chastened but unbowed, heard the volume of the protests but obviously not the substance. In January he issued some reforms that freed the movement of meat and animal products and abolished the traditional system of "controlled" and "uncontrolled" areas for the marketing of meat. This week he announced that his deregulation had removed the "last obstacles in the way of privatisation" and that Abacor now can be listed on the JSE, probably by the end of May.

Government has not said where it will set the share price or how much it expects to raise with the listing. A prospectus is due to be released later this month.

Van Niekerk's announcement surprised some in the industry who thought Abacor's listing had been postponed indefinitely. But others saw it coming when commercials relating to the privatisation once again began appearing on television.

"We do not have a problem with privatising Abacor, just the way they are doing it," says Nils Dittmer, chairman of the Organisation of Livestock Producers.

The problem, says Chris Darroll, national co-ordinator of the free-market Sunnyside Group, is one of degree. "They've repealed certain prohibitions but it's the same old story. It's important that the whole meat industry should be truly deregulated."

As an example, Blue Ribbon Meat MD Gareth Ackerman suggests that government do away with the auction system, allow a futures market and implement the recently released, staunchly pro-deregulation recommendations of the Kassier Committee, which Van Niekerk appointed last June to examine the marketing of agricultural products.

"What's still in place is the ability to manipulate the market," Ackerman adds. "There's still plenty of pulling of strings. And the Department of Trade & Industry has put a freeze on issuing import permits, pending an investigation, which has tended to push meat prices up."

Critics were surprised to hear about the renewed privatisation plan because Van Niekerk's new policy evaluation committee — to look into Kassier's recommendations — met for the first time only last month. An agriculture department spokesman says Abacor's privatisation was designed well before the formation of the committee.

Opponents of government's handling of the privatisation also object to the format the listing will take. They believe that Abacor's 11 abattoirs — which handle 41% of the country's slaughterings — should not be sold as a set, but rather as individual units. In support of that position, they point out that Kassier concluded "it would be wrong to privatise Abacor *en bloc*" as did a report last August by the Competition Board.

Abacor MD Frans van der Vyver supports the *en bloc* sell-off because he doesn't believe there's much of a market for small, individual units.

That's one of the reasons why opponents of

the plan say the abattoirs should be sold individually. Says Ian Isdale of Imperial Cold Storage's Renown Meat: "If no-one is prepared to buy (a particular abattoir), how can they expect the investors to put money into it (the privatisation)?"

Critics also object to government's insistence on reserving pre-determined percentages of the shares for producers (45%), the trade (30%), employees (5%) and the public (20%). Without proper deregulation, they say, this will have the effect of transferring the monopoly from the State sector to the private sector.

Isdale says his company, which processes its meat through its own abattoirs as well as Abacor's, believes the listing is premature because Van Niekerk's January deregulation has hardly had time to become effective. He believes that it would be impossible to determine Abacor's future profitability based on such a small period of deregulation.

But Van der Vyver says Abacor won't be run differently after privatisation. He has been "running this company in a businesslike manner for the past few years; that's not a new challenge." What will change, he says, is that it no longer will "keep a low profile and let others dominate." ■

TELKOM FM 5/3/93

Talking prices

The cost of local calls will go up nearly 10% on April 1 but Telkom may have managed to garner a little positive PR by reducing rates on some international calls for the second straight year. And, while last year's innovation was introducing different rates for different countries, this year's advance is introducing different rates for different times of day.

On local calls, the unit cost will rise from 17,2c to 18,9c but the duration of metered units will remain the same. Telephone rentals will climb by more than 10%, as will installation fees.

Telkom MD Danie du Toit says improvements in trunk telephone exchanges have allowed Telkom to replace the four rate groups with 15 rate bands, making way for standard, peak and off-peak tariffs to 21 countries.

Other spin-offs are an average 7% reduction in the standard rate to more than 100 countries. However, the standard rate will increase by an average of 9% to another 79 countries.

Popular destinations

At first glance, the new rates look like a very good bargain, especially to countries such as Italy, where the new standard rate is down to R10,31 a minute from R11,39. But the new rates exclude Vat while the current rates include Vat. This is probably because the new Vat rate has not been announced.

The new rates for the UK and US — two of the most often-called destinations — are the same: R5,67 a minute during peak times, a standard rate of R5,40 and R4,36 off-peak. The current rate for both countries is R5,97 a minute.

Calling Australia is set to become significantly cheaper, though. The current rate is R5,97 a minute while the new rates will be R4,93 (peak), R4,76 (standard) and R3,91 (off-peak).

The peak, standard and off-peak calling

cont p

Knives are out in Abakor row

③ meat

S Times (BUSS) 7/3/93

By CIARAN RYAN

A BLOODY battle is looming as Minister of Agriculture Kraai van Niekerk is determined to force the privatisation of Abakor in the face of growing, hostile opposition.

A government source estimates that the privatisation of Abakor will raise between R60-million and R70-million for the government.

Opponents to the listing include the Organisation of Livestock Producers, deregulation lobby the Sunnyside Group, leading agricultural economist Eckard Kassier and trade union federation Cosatu.

Competition Board chairman Pierre Brooks says deregulation of the industry still needs to go further.

Plans are well advanced to list Abakor by the middle of the year. A prospectus is being drawn up by Rand Merchant Bank and joint sponsoring stockbrokers Martin & Company and George Huysamer.

The JSE is yet to receive an application for a listing.

Abakor is expected to make an announcement on the listing date, issue price and other details early next month.

The price at which it will be sold by the government has already been established, according to Abakor managing director Frans van der Vyver. He declines to mention a figure.

"The government is trying to hoodwink the public into thinking the meat industry has been deregulated so that it can rush Abakor into privatisation," says Organisation of Livestock Producers chairman Nils Dittmer.

He says a campaign of civil disobedience is under way whereby meat is being sold direct from the farmer to the consumer, by-passing various meat controls, at prices up to 45% below meat sold through official channels.

Professor Eckard Kassier, chairman of the Kassier Committee which proposed the break-up of Abakor ahead of privatisation in its report presented to government earlier this year, says he is "surprised" at Mr van Niekerk's statements that the meat industry has been deregulated.

Freedom

"Unless you slaughter your meat at any one of the 27 approved Class 1 and 2 abattoirs, you do not have freedom to sell your meat where you like. The proposed system is a closed shop which will harm the small man.

"What we need is greater transparency in government so that we can see what is going on."

Mr van Niekerk says laws restricting the slaughter of meat have now been repealed, giving the producer freedom of choice as to the slaughter and movement of meat.

"Restrictions which remain in place relate to hygiene matters," he says. "The SA Consumer Union condones these restrictions and regards them as non-negotiable."

Mr van Niekerk says Abakor slaughters only 41% of all red meat in SA. "If privatisation does not take place and the trend of by-passing Abakor accelerates, as indications show, Abakor will eventually be another white elephant."

Abakor is prohibited by law from competing with private sector abattoirs in markets other than meat slaughter. Mr van der Vyver says Abakor will in time extend its field of operations to compete with the "Big Three" food producers — Kanhym, Vleissentral and ICS.

"If Abakor is privatised before meaningful deregulation of the meat industry, we are going to create a worse monster than the one we had before," says Jan Groenewald, professor of agricultural economics at the University of Pretoria.

Professor Groenewald says SA has among the lowest per capita consumption of red meat in the world. Meat controls are said to be behind per capital consumption of red meat, declining from 41,9kg in 1956 to 25,1kg in 1988.

Mr Dittmer says there is deliberate misrepresentation of deregulation in the industry coming from the government. The assertion that the meat industry has been deregulated is "an outright lie", alleges Mr Dittmer.

Parties beef about abattoir privatisation

wlmail 5/3 – 11/3/93. (3) meat.

Government has ignored objections from left, right and centre to the proposed privatisation of state abattoir utility Abacor.

REG RUMNEY *reports*

ABACOR, the abattoir utility, is to go ahead with privatisation and a listing in the teeth of opposition from the African National Congress and South Africa's largest labour grouping, the Congress of South African Trade Unions.

And the move has been announced despite recommendations to the contrary by the Kassier Committee and the Economic Forum, and widespread criticism of the privatisation last year.

ANC spokesman Gill Marcus said this week: "We are completely opposed to the privatisation of Abacor as we are opposed to other privatisations."

It was not privatisation itself the ANC took issue with. "Such a move has to take place within an economic policy. It should form part of a policy, not just be the selling off of the silver, which is what is taking place."

Abacor managing director Frans van der Vyver says: "All interest groups have been informed about Abacor's intentions at the Economic Forum and during individual and group discussions."

However Cosatu's Jayendra Naidoo says both labour and business opposed the privatisation at a National Economic Forum (NEF) presentation on the grounds that it would be premature.

A presentation was made to the NEF on the privatisation of Abacor and two points of view emerged, says Naidoo:

●Business felt a privatised Abacor would not be feasible and would give Abacor a bad name, Naidoo said. Abacor should first be commercialised so that it could operate without the former restrictions which, for instance, prevented it dealing in hides and skins.

●Labour's point of view, says Naidoo, was that it was opposed to all privatisation. The privatisation of Abacor at this critical stage of the transition would send the wrong signal.

"A NEF short-term working group then agreed the consensus about the inappropriateness of the privatisation of Abacor should be communicated," says Naidoo.

Finance Minister Derek Keys assured Cosatu last year the privatisation had been stopped.

Opposition has also come from consumer groups and the government-appointed commission of inquiry into agricultural marketing which called for the scrapping of control boards.

The Kassier report notes: "The committee believes that it would be wrong to privatise Abacor en bloc, ignoring the advice and objections from many sources that in the interests of the majority of red meat farmers (note, not producers, thereby excluding feedlotters) and consumers the abattoirs should be offered for sale individually."

Agricultural economist Willie Lubbe, who is widely quoted in the Kassier report, reckons: "It's a step in the right direction. There's no problem with Abacor's privatisation itself as long as its not dependent on statutory protection in competing with other abattoirs."

Abacor had a R109-million turnover in the 1991/92 year. Van der Vyver believes that deregulation will make its path to success plain sailing, and that its profit record will satisfy stock exchange listing requirments. A prospectus will be published soon.

Lubbe is also concerned that not one corporation or co-operative will be able to buy shares in Abacor on behalf of farmers. Some organisations and co-ops see themselves as producers, but if they get too large a share in Abacor this will increase the concentration in the market.

The privatisation will add another big meat company to a private sector dominated by Vleissentraal, Kanhym and ICS. In theory, size itself doesn't confer continued monopoly power without statutory regulation.

●At the time of going to press Agriculture Minister Kraai van Niekerk had not responded to a faxed list of questions about the proposed privatisation.

Meat producers call for zero-rating

Weekend Argus Correspondent

PRETORIA. — Red meat producers are outraged at the government's decision not to grant their product tax exempt status.

Mr Gerhard Bronn, chairman of the Red Meat Producers Organisation (RPO) which falls within the ambit of the South African Agricultural Union, said the retention of VAT on red meat was "unacceptable. (3) MEAT "

Urgent representations had already been made to Finance Minister Mr Derek Keys.

"If VAT could be imposed at a zero rate, this would mean a saving of approximately R700 million for the consumer who in many cases already lives beneath the breadline.

"Red meat is a basic foodstuff which, in view of its extremely nutritious properties, plays an important role in feeding all consumers."

According to information at the RPO's disposal, red meat producers have had to absorb a portion of the VAT on their product themselves.

This and the drought in many areas has led to "a drastic deterioration in the financial position of many producers", Mr Bronn said.

A Consumer Council spokesman said yesterday that with certain foodstuffs being zero-rated, red meat, fish and white bread should receive the same treatment. ARG 13/3/93

"Statistics show that the black population eat far more white bread than brown."

Competition Board targets Abacor

PETER DELMAR

9/3/93

THE Competition Board yesterday announced it would investigate whether state-run abattoir corporation Abacor was a monopoly.

Board chairman Pierre Brooks said the investigation could be completed within two months — before Abacor's planned listing at the end of May.

Brooks also confirmed that the controversial service station rationalisation plan (Ratplan) would be probed to determine whether it was in the public interest.

The Abacor investigation arose from a complaint by Pretoria-based Midnoord Verspreiders cc that Abacor unjustifiably refused to supply it with fat.

Abacor, which conducts 40% of SA's slaughterings, is due to be listed with its R200m net assets being offered for less than R70m. Meat producers will get 45% of the shares, the meat trade 30%, the public 20% and Abacor staff 5%.

(3) Meat

Brooks said his previous pronouncements on the Abacor privatisation — that it be split up — would not affect the investigation. However, if the privatisation proceeded before the probe was completed, this would be taken into account.

Abacor MD Frans van der Vyfer was not available for comment yesterday.

Brooks said it was hoped that the Ratplan investigation could be completed in four to five months.

The Ratplan, an agreement between government and the eight oil companies, restricts entry to the fuel retail market.

Brooks confirmed that the announcement followed a board report to Cabinet on the status of the Ratplan and its agreements.

Competition Board to probe Abacor, Ratplan

CT 9/3/93 (3) MEAT

Own Correspondent

JOHANNESBURG. — The Competition Board yesterday announced it would investigate whether state-run abattoir corporation Abacor was a monopoly.

Board chairman Pierre Brooks said the investigation could be completed within two months — before Abacor's planned listing at the end of May.

Brooks also confirmed that the controversial service station rationalisation plan (Ratplan) would be probed to determine whether it was in the public interest.

The Abacor investigation arose from a complaint by Pretoria-based Midnoord Verspreiders cc that Abacor unjustifiably refused to supply it with fat.

Abacor, which conducts 40% of SA's slaughterings, is due to be listed with its R200m net assets being offered for less than R70m.

Meat producers will get 45% of the shares, the meat trade 30%, the public 20% and Abacor staff 5%.

Brooks said his previous pronouncements on the Abacor privatisation — that it be split up — would not affect the investigation. However, if the privatisation proceeded before the probe was completed, this would be taken into account.

Abacor MD Frans van der Vyfer was not available for comment yesterday.

Brooks said it was hoped that the Ratplan investigation could be completed in four to five months.

The Ratplan, an agreement between government and the eight oil companies, restricts entry to the fuel retail market.

Brooks confirmed that the announcement followed a board report to Cabinet on the status of the Ratplan and its agreements.

Public Enterprises Minister Dawie de Villiers had approved the probe.

Meaty profit from Abakor

(3) Meat

ST Times (BUSS) 14/3/93.

By CIARAN RYAN

INVESTORS will pick up net assets of around R200-million for less than R70-million when Abakor is listed.

The two-thirds discount on the assets will benefit meat producers, who will get 45% of the shares, Abakor staff (5%), the meat trade (30%) and the public (20%).

Policy Unit for Public Enterprises and Privatisation chairman Eugene van Rensburg says it is not abnormal for state assets to be sold at a discount as the company's underlying earnings potential forms the basis of valuation.

"The principle is not to make huge profits on the asset sale. We are more interested in establishing sound commercial businesses which will become strong contributors to state coffers through taxation.

"As in the case of National Sorghum Breweries, these assets are often not performing well and have to be sold at a substantial discount to book value."

Assets of about R100-million were sold for R44-million when National Sorghum Breweries was privatised two years ago, a 56% discount.

Value

Shareholders bought R6-billion worth of Iscor assets, net of liabilities, for R3,7-billion when it was listed in 1989. The discount on net assets was 40%.

Abakor is not performing as well as National Sorghum Breweries or Iscor when they were privatised.

Mr van Rensburg says two merchant banks are reviewing the value of Abakor in the light of recent changes in the meat industry. He says the government is satisfied that the meat industry is now sufficiently deregulated to allow Abakor to be privatised, a view that is disputed by many in the meat industry.

GARETH ACKERMAN

"The banks are revaluing Abakor in the light of these changes, but it is unlikely that the sales price will be higher than R70-million."

The state had contributed loan capital of R57-million to Abakor. The remainder of the capital was built up through retentions, paid for in the form of levies from the meat producers and the meat trade.

The Abakor listing continues to arouse controversy.

Larger

Blue Ribbon managing director Gareth Ackerman says it could cost up to R100-million to build a large new abattoir.

"The price at which these assets are being sold grossly understates their true value," he claims. "The beneficiaries are largely the same people who run the meat industry now."

Mr Ackerman says Abakor should be commercialised under a deregulated market system before being sold.

"Less and less use is being made of Abakor for slaughterings. The big three food companies are slaughtering a larger proportion of their meat in their own abattoirs. I think this is going to be a white elephant."

Mr Ackerman says there is an unprecedented level of spare capacity in the slaughter industry.

"Last year there was a 16,4% decline in meat retail sales compared to a general retail sales decline of 4,4% in real terms.

"The meat industry is at a crossroads. This is not the time to sell Abakor. There is no reason why it cannot remain state-owned for the moment."

Minister of Africulture Kraai van Niekerk says Abakor's share of the total slaughterings declined from 47% to 41% in recent months.

Restricted

Once privatised, Abakor will fall under the Companies Act rather than the Abattoir Corporation Act, enabling it to compete in the meat processing and distribution trade.

At present, it is restricted to slaughtering animals on behalf of producers.

"People who are criticising the privatisation of Abakor do not understand the meat industry or are representing their own vested interests," says Mr van Rensburg.

He says the corporation's 11 abattoirs must be sold as a unit rather than individually.

The Kassier Committee, which published a report earlier this year on deregulation of the control boards, recommended selling the abattoirs off individually.

S/Times 4/4/93

Call to chop Meat Board

(3) meat

By CIARAN RYAN

HALF the meat being sold in SA is being slaughtered illegally, claims the Organisation of Livestock Producers (OLP), which lobbies for deregulation of the meat industry.

Executive director Nils Dittmer says a growing number of farmers are defying the official meat marketing channels and refusing to pay levies to the Meat Board.

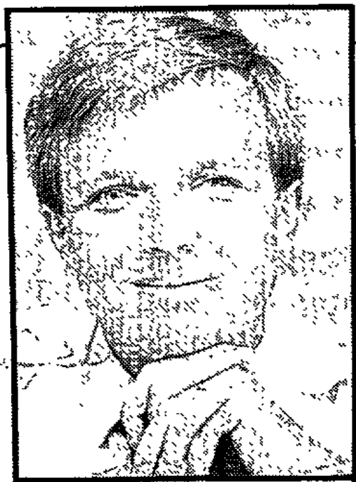
He says the Meat Board, to which meat farmers are obliged to pay compulsory levies, has no further role to play in the industry, a view echoed by Blue Ribbon managing director Gareth Ackerman.

"The Meat Board provides no service of value, unless one considers the floor price scheme a valuable service. It is trying to find some way to justify its existence," says Mr Dittmer.

The OLP will open in May its second Farm to Family franchise in Edenvale, Johannesburg, selling meat direct from the producer to consumer, by-passing the middlemen who are blamed for creaming off R5-billion from the R8-billion a year industry.

Because much of the meat will be slaughtered in non-approved abattoirs it cannot be sold in Johannesburg. Mr Dittmer says the Farm to Family franchise is completely illegal but "we are prepared to fight it in the courts if necessary".

"By cutting out the middle men farmers are getting 15% more for their meat and consumers get prices up to 45% below supermarket



NILS DITTMER (1122)

prices," says Mr Dittmer. Mr Ackerman says the Meat Board is redundant: "They have no further role to play, but they are still trying to frustrate certain parts of the industry. They still determine import quotas and tariffs."

The Farm to Family franchise is likely to set off a price war, with retailers scrambling to source meat direct from farmers in open defiance of the law, a move which could put an end to the single channel marketing system for red meat. Mr Ackerman says Blue Ribbon will compete with the OLP on price in certain cuts.

The OLP was threatened with legal action by the Meat Board last year when it sold meat through a Randburg butchery at almost half the normal retail price. This time, however, the Meat Board says it has no objection to the franchise scheme provided hygiene standards are adhered to.

Mr Dittmer says the Edenvale franchise will sell only top quality cuts which have been cleared by the health authorities.

Slammed

Mr Ackerman says he is prepared to defy the law and buy meat from the OLP if hygiene standards are adequate and quality specifications are met. "So far the OLP has not been able to give guarantees on these two issues, but we are talking. We also want them to open a primal cut operation."

Mr Dittmer has slammed the proposed privatisation of Abakor and says the Minister of Agriculture and the meat cartel — which he says controls the Meat Board — is to blame "for propagating the lie that the meat industry has been deregulated".

"They are determined to push ahead with the privatisation of Abakor come what may. Instead of geographical controls on the movement of meat we now have hygiene standards to which only Abakor and 16 other large abattoirs conform."

Abakor managing director Frans van der Vyver says meat can now move freely around the country, provided it conforms with the hygiene standards of local authorities.

Mr Dittmer replies: "What they do not say is that Abakor prescribes to the municipalities what hygiene standards to enforce.

"To market in the larger centres a farmer must slaughter in an abattoir which has refrigerated out-loading facilities, a permanent health inspector and a part-time vet. What small abattoir can afford this?"

The Meat Board is rethinking its future following amendments to the Marketing Act earlier this year.

"I am in favour of a deregulated meat industry," says Meat Board general manager Pieter Kempen.

"We are involved in a strategic planning process on a scale that involves not only management, but also staff at all levels and other stakeholders in the meat industry. We are also engaged in discussions with political groups across the entire spectrum in the political arena."

The fat starts flying over Abakor 'boycott'

(3) meat

S Times 28/3/93

(Buss)

By CIARAN RYAN

THE first blood has been spilt in the privatisation of Abakor.

The Competition Board has launched an investigation into Abakor's decision to stop supplying crude fat to Midnoord Verspreiders, which processes it into tallow for soap manufacture and pet food.

The Meat Board handed over administration of the "offal pool" — the sale of waste products from a slaughtered animal — to Abakor earlier this year.

Tender

Kobus van Zyl, owner of Midnoord Verspreiders, was a major consumer of fat from the offal pool, but Abakor stopped supplying him last year even though he had won a tender from the slaughter group.

Abakor only started supplying him again after they were threatened with an interdict.

However, Abakor started to turn down his tenders for fat when it took over the offal pool.

PIERRE BROOKS

Mr van Zyl says he will be out of business within a month unless Abakor supplies him with fat.

"So far I have lost more than R500 000. I think this is a matter of personal vengeance for Abakor because I threatened them with an interdict last year."

Pierre Brooks, chairman of the Competition Board, says Abakor stopped supplying Midnoord because it claimed it could process the fat more profitably itself.

Effort

"There appears to be a prima facie case against a state-owned corporation," says Dr Brooks. "Although they argue that they are within their rights to supply whom they like, perhaps they should be making a special effort to supply the small private consumer."

Abakor has indicated that it intends to move into new markets to compete with the private sector once privatised. It is precluded from doing this ahead of privatisation because of the Abattoir Corporation Act, which restricts it to the slaughter of animals.

INTERPELLATION

The sign * indicates a translation. The sign †, used subsequently in the same interpellation, indicates the original language.

Own Affairs:

Red meat industry: State assistance

*1. Mr A A B BRUWER asked the Minister of Agricultural Development:

Whether he will consider giving State assistance to the red meat industry; if not, why not; if so, (a) when and (b) to what extent?

(3) Meat B587E.INT

*The DEPUTY MINISTER OF AGRICULTURAL DEVELOPMENT: Mr Chairman, we welcome this debate on assistance to the agricultural industry. I interpret it a little wider than meaning merely assistance to the meat industry. The Government will render assistance to the agricultural industry, as it has done in the past. This includes the red meat industry.

However, before I express my views on the measure of assistance which will be rendered to the red meat industry, I think we must dwell for a while on the considerations of whether an industry qualifies and whether a specific aid package should be developed for it.

The following circumstances dictate whether assistance can ultimately be considered. Disaster conditions are the principal norm in this connection, whether these are as a result of a disastrous drought or a disastrous flood. Certain external circumstances are considered to be a normal farming risk, such as diminishing sales owing to specific domestic market conditions, or the cost of financing in times of a shortage of capital. On the other hand our assistance programme for the extensive stock grazing areas is in fact geared to rendering assistance in respect of the resource.

Recently the State has consequently taken the circumstances rather than the amount of debt of the individual farmer as a norm for its assistance, and on the other hand it has based its assistance scheme for livestock farmers on the maintenance of the resource and the accompanying maintenance of a nuclear herd. The purpose of assistance to agriculture is not to compensate individual farmers for the loss of revenue, but to enable the farmer to continue with his enterprise.

(3) Meat

What is of further importance is to establish a priority which will determine what form of assistance will achieve the most desirable result, and where. In the livestock industry the crucial question, namely what branch of the industry should at present be accorded the highest priority, must be answered. The State admits that the livestock industry is at present experiencing serious problems. Unlike the case in the crop husbandry areas, where the drought has to a large extent been broken, various large sections of our animal husbandry areas are still experiencing serious drought problems. Apart from that the wool and mohair industries, which are dependent almost solely on international markets and are experiencing dwindling sales of their products, are going through a very serious crisis. Industry assistance must therefore be rendered in respect of the conversion from wool and mohair to meat, and it must be determined what effect this will have on the red meat industry.

Various schemes are in existence under which the extensive livestock grazing areas come into consideration for assistance. In the drought aid package of 1992 there were also a number of special schemes under which livestock farmers could normally receive benefits, but I should like to report on that in the next round.

*Mr A A B BRUWER: Mr Chairman, the purpose of this interpellation is not to quarrel with the hon the Deputy Minister. It is in fact to cast more light on the subject, since problems exist with the implementation of aid measures.

Let us consider the sugar industry for example. When the aid measures were announced last year, the sugar industry received assistance. I asked the hon the Minister of Agriculture why the sugar industry had specifically been singled out to receive assistance. People in the meat industry do not understand it, because things are going relatively well with the sugar industry. It is a relatively rich industry. The hon the Deputy Minister correctly observed that the meat industry is experiencing serious problems. Why was the meat industry not also singled out as a special industry to come into consideration for specific aid measures? The man on the ground does not understand it. People in the industry do not understand it.

I want to discuss another matter pertaining to implementation. The hon the Minister knows that we do not understand this either. If a person plants maize for fodder, he does not qualify for aid measures in respect of maize provision. He does not qualify for these aid measures. The person who plants maize for fodder, insists on being compensated in the same way as the person who simply plants maize for seed.

It is true that the meat industry finds itself contending with serious problems, and I actually want to help the hon the Minister. We cannot carry on like this and allow this specific branch of agriculture to be discriminated against in that it does not receive the same measure of protection as industries for example. The import rights in regard to meat are not vested in the Department of Agriculture, but in the Department of Trade and Industry. As long as that department has the right to allocate permits, it will never be possible to protect these industries.

(3) Meat

The Department of Trade and Industry does not understand the management of agriculture. That is why I am asking for specific care to be taken of the meat industry. It must receive assistance quickly otherwise this very important and major industry in South Africa could be very detrimentally affected.

Mr E K MOORCROFT: Mr Chairman, we would agree with the hon member for Lydenburg that the red meat industry is indeed in trouble. One of the big problems of the industry is that it has a long cycle. There is a very slow cash flow. Today everyone in the agricultural industry understands that, unless one is in a position in which one can speed up one's cash flow, one is in very real trouble.

When the industry is in a period of recovery, as it will hopefully be soon, the problems are not over because there is a need to rebuild stock numbers. The withholding of stock from the market for breeding in itself impacts on the cash flow and on the financial position of those farmers. The problem is indeed very serious.

We would also accept that the State cannot simply bale out every farmer who is in trouble and make an exception of the red meat industry. However, there are certain things that the State can and, I feel, should do. There could, for example, be a relaxation of the requirements to qualify for the feed subsidy. There is the whole question of transport rebates, which could be improved.

Assistance could be given to farmers to retain labour. We know that there are schemes for, amongst other things, labour and drought assistance. However, those schemes require farmers to be members. There are further requirements for farmers to qualify, and these take time. What happens in the meantime is that the farmers' position deteriorates. We believe that there could be a speeding up of assistance to farmers where it is needed.

*The DEPUTY MINISTER OF AGRICULTURAL DEVELOPMENT: Mr Chairman, I should like to make the point here that I do not think any aid programme to agriculture should be tackled in isolation by the Department of Agriculture. We co-operate very closely with the role-players, particularly organised agriculture and its organisations. Since the hon member for Lydenburg has now raised this point, it is very clear what is actually involved. The sugar industry is not in trouble because it is not doing well financially, but in certain cases plantations will have to be re-established up to 90% since production is no longer possible there because of the drought.

In my introduction I said that this was in fact the point we wanted to make. We want to enable a farmer to continue his farming operations. That programme of the sugar industry was taken over exactly as it was from the early 1980s and set into operation again in this present aid programme. In other words, nothing new had to be devised, and for that reason we also have a programme, as far as the livestock industry is concerned, which we can put into operation wherever disastrous drought conditions are prevailing so that the farmers can carry on. This is autonomous, and is in the hands of the District Drought Committee and the National Drought Committee. Neither the hon the Minister nor I intervene personally in the matter.

I am providing this background because we must admit to one another that help is in fact available.

†There is, however, another perception and I would like to refer to what the hon member for Albany said. Yesterday it was clear to me in my own constituency that people were not prepared to register. They have the perception that there is no real incentive to go for this scheme. I urged

Cont →

them to register immediately. We are indeed looking into this matter of adapting the scheme and making it possible for people to participate in it at a reasonable rate. I believe, however, that members of organised agriculture should also play their role in emphasising the importance of registering.

(3) Meat

*Dr P J GOUS: Mr Chairman, I want to join the hon member for Lydenburg in our discussion with the hon the Deputy Minister. We are dealing here with an emergency situation. As the hon the Deputy Minister will know, his request in the past was that we should deal with the matter on a merit basis. That is what we are doing here today.

Here we are now dealing with the largest agricultural industry. The red meat industry is the largest facet of agriculture. I think the hon the Minister and other hon members said here this afternoon that things were not going well with this industry in certain areas of the country. I can quote facts to hon members about what is happening in parts of the Karoo and the Southern Free State, and I can mention the districts, such as Excelsior and so on. The hon members are very well aware of the situation.

I want to point out to the hon the Minister that in other debates earlier today it was said that there was a need for haste with certain activities pertaining to legislation on marketing. There is also need for haste in regard to assistance, if assistance is to be given. I want to refer the hon the Minister to the fact that a start was made with this matter more than a year ago. That was when we asked for assistance for the red meat industry. We then had the Erasmus Committee that went into the matter. Subsequently there was Dr Engels' committee, and this process has been continuing for more than a year now, and we have not yet reached the end.

On behalf of this party I want to tell the hon the Minister that we also share the view that agriculture, including the red meat industry, cannot be built on State assistance or kept going on a permanent basis with State assistance. Nor do we believe that the State can intervene and compensate people for losses suffered in the sense of a loss of income because of the drought.

We do believe, however, that if a disaster such as a drought should strike the farmers, or an economic collapse should occur, the time is then ripe for the State to intervene. I think the hon the Minister and I can look one another in the eyes and say that the red meat industry is a case that has merit. It must now be speeded up and we must arrive at a point at which these people receive a clear answer. Let us tell them whether they have a case or not, and that we have decided to help them or not, but please let us not delay any longer.

*Mr A A B BRUWER: Mr Chairman, I should like to bring the following to the attention of the hon the Minister. According to statistics kept by the Directorate of Imports and Exports, import permits with the following rand values in respect of the following products were issued for the period 1 January 1992 to 31 December 1992. This was during a period when farmers had to market quite a lot of meat as a result of the drought. What happened? Meat was allowed to be imported: Beef to the value of R70 million; pork, R59 million; mutton, R91 million; goat meat—not all that much—to the value of R240 000. Edible offal is low quality meat, something which should have been considered. While very poor animals had to be marketed, offal to the value of R33 million was imported at that time. [Time expired.]

*The DEPUTY MINISTER OF AGRICULTURAL DEVELOPMENT: Mr Chairman, I just want to react quickly. As far as the import of meat is concerned, 15 % of the normal consumption takes place in neighbouring countries. The information at our disposal indicates that less than 3 % of meat for factory purposes was imported through the official channels last year. Consequently permits are issued, but not all of them are utilised.

I want to say the following about the programme to which the hon member for Parys referred. This document ended up on my table and on that of the hon the Minister in October. We said a lot of query-marks were placed against this document, and if I have time, I should like to point them out. The hon the Minister said there was no limitation. Areas that had had good rains and were enjoying good conditions also qualified. It was therefore based on revenue loss and not necessarily on the disaster conditions. That is why we referred the report back. Organised agriculture and the Department of Agriculture have not yet made the final document available to the hon the Minister. How can we work with it?

This afternoon we want to tell hon members in this House that it is not only the livestock industry that is concerned. We mentioned the wool industry and the mohair industry in passing. The SA Wool Board, the Dairy Board and the subtropical industries, in other words the banana and the citrus industries, are also in trouble. Assistance will also have to be rendered somewhere along the line to the timber industry, after 40 % of some plantations died and had to be replanted.

(3) Meat

We are considering our vegetable farmers who have major problems with production credit which they can no longer acquire through the normal agricultural credit channels. In this way we are looking at the livestock industry in its entirety.

This afternoon I should like to make the following point here: It is no use adopting a piecemeal approach here. On that basis we ask members to exercise a little patience.

On 7 May last year we announced a programme in which livestock farmers could share, in exactly the same way as crop farmers, in respect of production credit and subsidies for long-term loans. Consequently we should like to consider these industries in a responsible way as well. [Time expired.]

Debate concluded.

QUESTIONS

† Indicates translated version.

For oral reply:

Own Affairs:

Model C schools: teachers paying school fees for own children

*1. Mr P J PAULUS asked the Minister of Education and Culture:†

Whether, with reference to his reply to Question No 1 on 3 March 1993, there are other Model C schools of which the teachers whose children are pupils at the same schools have been exempted from paying school fees; if so, (a) how many, (b) what are the names of the schools concerned and (c) why have these teachers been exempted from paying such school fees? B480E

†The MINISTER OF EDUCATION AND CULTURE:

This information is not available at the provincial departments of education.

Meeting at school near Hartswater

*2. Mr A GERBER asked the Minister of Education and Culture:†

(1) Whether he addressed a meeting at a certain primary school, the name of which has been furnished to the Minister's Department for the purpose of his reply, on or about 13 February 1993; if so, what is the name of the school concerned;

(2) whether this meeting took place under the auspices of a political party; if so, of which political party; if not, what was the nature of the meeting;

(3) whether the principal of this school received an instruction from an organization in Hartswater to inform pupils of the school that the Minister would furnish information on education at a meeting at the school; if not, what is the position in this regard; if so, from what organization was this instruction received;

(4) whether the principal carried out this instruction; if not, why not; if so, what are the relevant details;

(5) whether the member of Parliament for the electoral division in which this school is situated refused admission to the meeting to a member of the management board of the school; if so, on what grounds? B483E

†The MINISTER OF EDUCATION AND CULTURE:

(1) No, not at the Laerskool Ganspan, but on Saturday 13 February 1993 a meeting in the school hall of the Hartswater was addressed;

(2) yes, it was an information meeting for members of the National Party;

(3) no, as I was informed, the secretary of the Laerskool Ganspan received a telephonic request from an unknown lady that parents be informed that the Minister of National Education and of Educa-

cont →

Call to zero-rate VAT on offal

Star 8/6/94

BY SHIRLEY WOODGATE

Meat retailers have urged the Government to zero-rate VAT on offal as the cost of the staple food soars beyond the pockets of millions of poor and starving people countrywide.

The plea is backed by estimates that 800-900 tons of cattle, sheep and poultry offal is sold daily to the most destitute section of the population in rural and urban areas.

Retailers warned that offal was in many cases the sole source of essential protein in diets of more than half the population. One purveyor said: "Nobody is poorer than those who regularly rely on offal to feed their families."

As VAT and profit were added at every stage from farmer to end-consumer (mainly black housewives), a product that previously sold for R1 per kilogram had been increased in price to R1,50, plus VAT and profit, putting it beyond the means of vast numbers of underprivileged people.

(3) meat

The cheapest alternative meat cuts include chuck and mince at R5/kg.

Also at risk was the livelihood of some 2 000-3 000 hawkers specialising in marketing offal, who could no longer make a living as cash-strapped buyers dropped out of the queue, said retailers.

The daily market comprises some 300 tons of chicken legs, heads and intestines, known as "mala"; 300-500 tons of cattle entrails, including small and large tripe and intestines; and 150 tons of sheep offal, including front leg trotters, tripe and heads.

Fewer sheep are sold at the abattoirs than cattle, the ratio of slaughtering being about 100 kg of beef to 5 kg of mutton.

Vital

It is claimed that the financial loss to the Government if it zero-rated offal would be R140 000 a month, which is a drop in the ocean compared with the R85 million derived from VAT on foodstuffs.

Meat Board information manager Jurie Erasmus said it was vital to zero-rate VAT on not only offal but on all red meat, which was a rich source of protein and iron.

It was an anomaly that rice and fish should escape VAT while meat was taxed, since red meat was as basic to healthy diets as fish, he said.

ABACOR

FM 9/4/93.

3 Meat

Now or never for privatisation?

The mystery surrounding the State's rush to privatise the Abattoir Corp (Abacor) before the R10bn-a-year red meat industry is fully deregulated is being cleared up at last.

Apparently, the industry's partial deregulation in January is hitting Abacor so severely that government believes it must be privatised and allowed to compete freely in the private sector as soon as possible or the company will be worth little when it is finally sold. Agriculture Deputy Minister Tobie Meyer says "government is of the opinion that postponement of the corporation's privatisation will cause irreparable harm."

The partial deregulation allowed freer movement of meat. This gave Abacor's competitors an advantage because the corporation is restricted to slaughtering and cannot provide other services until it is privatised.

Companies such as Vleissentraal, Kanhym and ICS are steadily eroding Abacor's market share because they can now compete for Abacor's slaughtering business while also operating cutting, packaging and processing plants.

Meanwhile, despite government's urgency, Abacor's listing keeps getting pushed back as opponents gather strength. First it was going to be last November, then next month appeared likely. Now signs point to a June or July listing. There is still no date set for the listing, the prospectus has not been released, and the share price has not been decided on.

"Many things still have to be finalised," says Martin Keyser, deputy GM of Rand Merchant Bank, which is acting for Abacor.

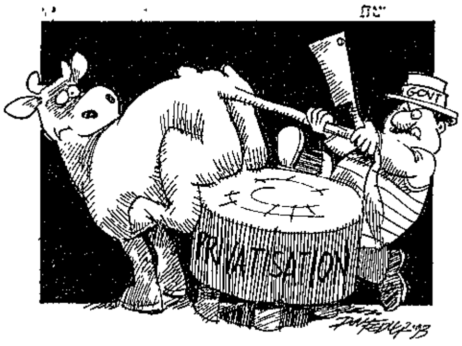
Some facts about the listing are known. Agriculture Minister Kraai van Niekerk has approved and signed the prospectus. The listing broker is George Huysamer & Partners. Government reportedly expects to raise about R70m from the listing. And the shares will be divided among the producers (45%), meat traders (30%), the public (20%) and employees (5%).

The privatisation would be only the third since President F W de Klerk took office in 1989 and just the second JSE listing (*Business & Technology* March 5). Iscor was listed in late 1989 and in 1991 National Sorghum Breweries was sold privately.

While Abacor argues that privatisation must come quickly because deregulation is hurting it, critics say the regulations still on the books will lock in Abacor's dominant position in the industry after privatisation. They say Abacor should not be privatised until all the regulations are scrapped.

"There must be free and open competition, without any preferential treatment," says Nils Dittmer, chairman of the Organisation of Livestock Producers. "But without proper deregulation and with the remaining hygienic requirements benefiting Abacor, and compulsory levies underpinning a continuing floor-price scheme, the system remains rigged. Unless the Kassier recommendations are implemented (that the statutory powers of the meat and other agricultural boards be removed), we will retain this problem."

The organisation also questions the way Abacor will be privatised. It says individual abattoirs should be sold to the highest bidder or against open tenders because this would allow for a better determination of the actual market values. But, Dittmer adds, even selling off Abacor's 11 abattoirs as a single entity would be acceptable, as long as there is no special protection for the company built into the system.



Blue Ribbon Meat MD Gareth Ackerman says red meat retail sales are falling while Abacor's share of the slaughtering business is also declining. This means that Abacor's profitability must be under threat, adding to government's eagerness to privatise.

"Feedlots are increasingly using their own abattoirs. Abacor may be in serious financial trouble and shedding red ink," says Ackerman.

Not so, says Abacor MD Frans van der Vyver, who insists that Abacor has reduced its breakeven level from 50% to 40% of capacity. With capacity usage running at 57%, Abacor turned in a R15m profit for the year to last June, according to its annual report, released last week. *Arnold van Huyssteen*

Star 19/4/93

'Rethink VAT on meat'

(3) meat

By Norman Chandler
Pretoria Bureau

Farmers have again urged the Government to rethink VAT on red meat.

The Red Meat Producers' Organisation (RPO) says VAT is "unacceptable" to the industry and that the industry is already heavily taxed in comparison with many foreign countries where meat is subsidised.

"Red meat is a basic foodstuff which plays an extremely important role in the nutritional needs of all consumers, constituting approximately 17 percent of the food basket of all consumers," says the RPO.

It argues that if VAT were to be imposed at a zero rate, there would be a saving to the consumer of about R700 million a year.

VAT on red meat, in combination with the lengthy drought, "has resulted in a drastic deterioration in the financial position of all producers. Producer prices are currently under such pressure that they have, in real terms, declined for the fifth successive year."

The RPO — which is to take up the matter with Minister of Finance Derek Keys — adds that it fears that red meat's market share may be forfeited to substitutes.

"This will force consumers to circumvent the formal food chain which in turn could expose them to disease and poorer hygiene."

Crisis for meat producers

3 MEAT CT 20/4/93

Own Correspondent

JOHANNESBURG. — Many red meat producers may be forced to abandon agriculture if they do not get government financial aid soon.

This could have a catastrophic effect in rural areas in view of social and sociological problems which would arise, South African Agricultural Union Red Meat Producers Organisation (RPO) vice-chairman Mr Jannie Fourie said yesterday.

"The RPO takes note of Agriculture Minister Dr Kraai van Niekerk's announcement that stock farmers will not receive financial aid as recommended by the SAAU's Disaster and Emergency Aid Committee," he said.

"As a result of various factors, including the severe drought, stock farmers are struggling financially.

"The financial problems of red meat producers are of such a nature that existing aid measures would have to be drastically increased to accommodate these problems," he said.

Slaughtering at home goes out with new act

Own Correspondent

DURBAN. — Amanzimtoti householder Mr Nkosinathi Maphumulo could find himself at the centre of another animal slaughtering controversy after he allegedly killed a cow at his luxury suburban home this weekend.

In June last year, the rags-to-riches entrepreneur moved into a previously whites-only area and slaughtered two cows and four goats to "show the spirits" where he was living.

His actions at the time caused a mini-furore with animal rights activists up-in-arms, neighbours complaining and everyone from the traffic police to the health department and the SPCA called in.

In the end Mr Maphumulo's housewarming party went ahead and the animals were served up piping hot for his guests.

However, Mr Maphumulo could well find himself at the centre of another outcry after he evidently slaughtered a cow for a party at his house on Friday night.

Amanzimtoti town clerk Mr Dave Ongley said their health department was phoned on Friday and told a cow had been seen at Mr Maphumulo's house.

However, by the time they arrived the cow had already been slaughtered.

Mr Ongley said they reported the matter to the Department of Agriculture.

"Last year when it happened, the old act applied which had certain exemptions for the slaughtering of animals.

"But when the old act fell away, all the exemptions also fell away and now you can't slaughter anywhere except in a recognised abattoir."

However, Dr Brian Weaver, from the Department of Agriculture, said the regulations were presently being examined by the Minister and would probably only come before Parliament in the next week.

MEAT CT 23/3/97

BUSINESS BRIEFS

STIMES (BUSS) 9/5/93 (3) Meat.

Abakor listing delay

THE Abakor listing is unlikely to go ahead as planned this month because political turmoil has had an adverse effect on the market, says Eugene van Rensburg, chairman of the Policy Unit for the Privatisation of Public Enterprises.

"A decision on the timing of the listing will be made within a week or two," says Mr van Rensburg.

The JSE has not received an application for the listing.

The privatisation proposal has drawn criticism over claims that the slaughter industry has not been deregulated and Abakor's control of the market would be entrenched.

Star 26/4/93

PWV to get ostrich meat for first time

By John Miller

A range of ostrich meats will become available for the first time to PWV consumers when the country's second independent abbatoir and tannery opens in Magaliesberg at the end of May. (3) Meat

The complex will be able to handle about 50 000 birds a year.

Faan Harzer, managing director of Ostriches Galore, is also a member of the 1 600-strong Transvaal Ostrich Producers' Association, which decided to go it alone because of the stranglehold by farmers in the George and Oudtshoorn districts.

Harzer said according to existing laws, ostriches may be slaughtered only at Oudtshoorn, no matter where they are bred.

For this reason the association has declared a dispute with the Minister of Agriculture and intends to go ahead with opening the abbatoir, come what may.

Cheap meat scheme

ST Times [Buss] 2/5/93 (3) Meat

By DON ROBERTSON

ABOUT 500 cattle farmers will take on the Meat Board and offer consumers meat at prices below those of most supermarkets.

The group, under the banner of the Organisation of Livestock Producers (OLP), will open a shop in Edenvale on May 31.

For the past three years the OLP, under the leadership of Nils Dittmer, has challenged the Meat Board and called for full deregulation of the meat trade.

The Farm to Family butchery is being built on a 350 square metre site in Edenvale.

By ignoring the Meat Board's costly regulations and shortening the marketing chain it hopes to reduce prices by between 20% and 30% — "even if this is perceived to be illegal".

Anger

Farm to Family will offer a 100kg hindquarter for R925 compared with the average R1 209 in supermarkets. Rump steak will sell for R14,95 a kg compared with R24,95, club T-bone at R9,99 a kg against R18,50 and beef mince at R8,49 a kg compared with R11,98. A beef roast will cost R9,99 a kg compared with R16,50.

The outlet is financed by Dave McBride, who will operate the butchery. It is intended to open another five butcheries in the next two years. Farm to Family will buy from farmers, although attempts to do this in the past met with the confiscation of meat.

Farmers will refuse to pay levies imposed by the board and it is expected that this will be permitted. Commissions paid to agents will be reduced and grading systems bypassed. But hygienic handling of meat will be enforced.

Cheap meat scheme

S Times [Buss] 2/5/93
(3) Meat

By DON ROBERTSON

ABOUT 500 cattle farmers will take on the Meat Board and offer consumers meat at prices below those of most supermarkets.

The group, under the banner of the Organisation of Livestock Producers (OLP), will open a shop in Edenvale on May 31.

For the past three years the OLP, under the leadership of Nils Dittmer, has challenged the Meat Board and called for full deregulation of the meat trade.

The Farm to Family butchery is being built on a 350 square metre site in Edenvale.

By ignoring the Meat Board's costly regulations and shortening the marketing chain it hopes to reduce prices by between 20% and 30% — "even if this is perceived to be illegal".

Anger

Farm to Family will offer a 100kg hindquarter for R925 compared with the average R1 209 in supermarkets. Rump steak will sell for R14,95 a kg compared with R24,95, club T-bone at R9,99 a kg against R18,50 and beef mince at R8,49 a kg compared with R11,98. A beef roast will cost R9,99 a kg compared with R16,50.

The outlet is financed by Dave McBride, who will operate the butchery. It is intended to open another five butcheries in the next two years. Farm to Family will buy from farmers, although attempts to do this in the past met with the confiscation of meat.

Farmers will refuse to pay levies imposed by the board and it is expected that this will be permitted. Commissions paid to agents will be reduced and grading systems bypassed. But hygienic handling of meat will be enforced.

No. R. 676 **23 April 1993**

ABATTOIR HYGIENE ACT, 1992
(ACT No. 121 OF 1992)

EXEMPTION OF CERTAN ABATTOIRS FROM CERTAIN PROVISIONS OF THE ACT

The Minister of Agriculture has, under the powers vested in him by section 24, read with sections 8, 9 and 10, of the Abattoir Hygiene Act, 1992 (Act No. 121 of 1992), made the regulations in the Schedule.

SCHEDULE

3 Meat

Definitions

1. In these regulations any word or expression to which a meaning has been assigned in the Act shall have that meaning and—

"the Standing Regulations" means the Standing Regulations under the Abattoir Hygiene Act, 1992 (Act No. 121 of 1992), published by Government Notice No. R. 3505 of 9 October 1969, as amended; and

"the Act" means the Abattoir Hygiene Act, 1992 (Act No. 121 of 1992).

Exemption from certain provisions of the Act

2. All abattoirs where poultry and rabbits are slaughtered are exempted from the provisions of sections 8 (1), 9 (1) and 10 (1) of the Act.

Examination and disposal of poultry and rabbit meat

3. (1) The owner of an abattoir referred to in regulation 2 or a person designated by him, shall examine all poultry and rabbits before slaughter and all meat after slaughter.

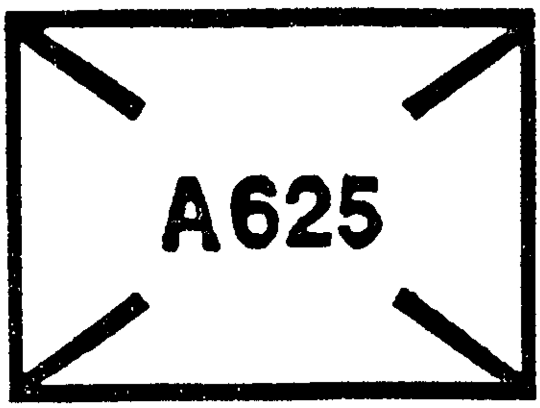
(2) No poultry or rabbits suffering or suspected of suffering from a disease or condition mentioned in table 1, shall be slaughtered without the written permission of a designated veterinarian.

(3) Only meat and offal which shows no lesion or disease and which originates from apparantly healthy poultry or rabbits shall be released for human and animal consumption.

(4) All meat, offal and poultry or rabbit products considered unfit for human consumption, shall be disposed of by the owner or operator of the abattoir in accordance with the provisions of part VIII of the Standing Regulations.

Marking of poultry and rabbit meat

4. (1) The meat of poultry and rabbits which is considered fit for human and animal consumption, shall be identified on the carcase or wrapping of the meat with a mark as indicated below:



No. R. 676 **23 April 1993**

WET OP ABATTOIRHIGIËNE, 1992
(WET No. 121 VAN 1992)

VRYSTELLING VAN SEKERE ABATTOIRS VAN SEKERE BEPALINGS VAN DIE WET

Die Minister van Landbou het kragtens die bevoegdheid aan hom verleen by artikel 24, gelees met artikels 8, 9 en 10, van die Wet op Abattoirhigiëne, 1992 (Wet No. 121 van 1992), die regulasies in die Bylae uitgevaardig.

BYLAE

Woordomskrywing

1. In hierdie regulasies het enige woord of uitdrukking waaraan 'n betekenis in die Wet geheg is, daardie betekenis en beteken

"die Staande Regulasies" die Staande Regulasies kragtens die Wet op Abattoirhigiëne, 1992 (Wet No. 121 van 1992), gepubliseer by Goewermentskennisgewing No. R. 3505 van 9 Oktober 1969, soos gewysig; en

"die Wet" die Wet op Abattoirhigiëne, 1992 (Wet No. 121 van 1992).

Vrystelling van sekere bepalings van die Wet

2. Alle abattoirs waar pluimvee of konyne geslag word, word vrygestel van die bepalings van artikels 8 (1), 9 (1) en 10 (1) van die Wet.

Ondersoek van en beskikking oor pluimvee- en konynvleis

3. (1) Die eienaar van 'n abattoir in regulasie 2 bedoel of 'n persoon deur hom aangewys, moet alle pluimvee en konyne voor slagting en alle vleis na slagting ondersoek.

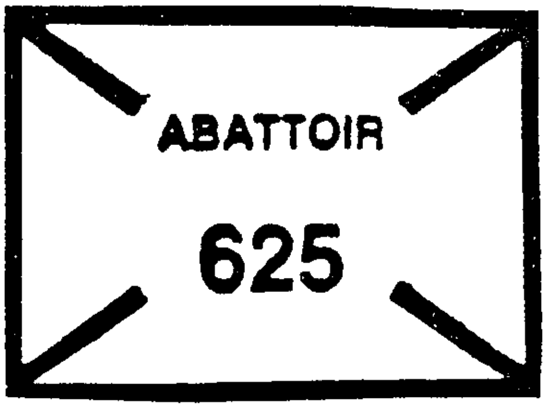
(2) Geen pluimvee of konyne wat ly of vermoedelik ly aan 'n siekte of toestand in tabel 1 genoem, mag sonder die skriftelike toestemming van 'n aangewese veearts geslag word nie.

(3) Slegs vleis en afval wat geen letsel of siektetoestand toon nie en wat van klaarblyklik gesonde pluimvee en konyne afkomstig is, mag vir menslike en dierlike verbruik vrygestel word.

(4) Alle vleis, afval en pluimvee- of konynprodukte wat vir menslike en dierlike verbruik ongeskik geag word, moet deur die eienaar of operateur van die abattoir oor beskik word ooreenkomstig die bepalings van Deel VIII van die Staande Regulasies.

Merk van pluimvee- en konynvleis

4. (1) Die vleis van pluimvee en konyne wat vir menslike en dierlike verbruik geskik geag word, moet op die karkas of op die omhulsel van die vleis geïdentifiseer word met 'n merk soos hieronder aangetoon:



(a) The sides of the rectangle shall be 70 mm in length and 50 mm in width.

(b) The identification number of the abottoir as indicated in the certificate of approval preceded by the word "ABATTOIR" or the letter "A" shall appear in the centre of the rectangle.

(c) The indentification number shall be displayed as indicated e.g. 6/25 = 625 or 7/3 = 73.

3 mark

(d) The letters of the word "ABATTOIR" shall be 5 mm high and the letter "A" and figures of the identification number shall be 8 mm high.

(2) The mark shall be displayed in a conspicuous place on the poultry or rabbit meat or in a conspicuous place on the wrapping of such meat.

(3) The size of the mark on the wrapping of poultry or rabbit meat may be reduced provided that it is clearly legible and the proportion of the rectangle to the heights of the letters and figures is maintained.

(4) The mark may be placed on the wrapping or on a self-adhesive label which will be destroyed when removed from the wrapping.

(5) The mark shall be clearly visible and the letters and figures clearly legible.

(6) Only a safe, edible marking-ink approved by the Director of Meat Hygiene shall be used for the marking of meat.

TABLE 1

DISEASE OR CONDITION

Poultry A	Rabbits B
1. Anthrax. Botulism. Chlamydiosis. Duck plague. Duck virus hepatitis. Enteritis. Erysipelas. Fowl plague. Goose influenza. Infectious Bursal Disease (Gumboro). Listeriosis. Newcastle disease. Pyaemia. Respiratory diseases. Salmonellosis. Septicaemia. Toxaemia. Tuberculosis. Visceral gout.	Anthrax. Botulism. Enteritis. European Brown Hair Syndrome. Listeriosis. Myxomatosis. Pseudotuberculosis [Yersinia (Pasteurella) pseudotuber-culosis]. Pyaemia. Rabies. Rabbit pox. Respiratory diseases. Salmonellosis. Septicaemia. Tetanus. Toxaemia. Toxoplasmosis. Tuberculosis. Tularaemia. Tyzzer's Disease. Viral haemorrhagic disease.
2. Abnormal colour or odour. Emaciation. Hazardous antibiotic, chemical or biological residues. Moribund.	
3. Any other apparent disease or condition.	

(a) Die sye van die reghoek moet 70 mm in die lengte en 50 mm in die breedte wees.

(b) Die identifikasienommer van die abattoir soos aangedui op die sertifikaat van goedkeuring voorafgegaan deur die woord "ABATTOIR" of die letter "A" moet in die middel van die reghoek verskyn.

(c) Die identifikasienommer moet aangebring word soos aangedui bv. 6/25 = 625 of 7/3 = 73.

(d) Die letters van die woord "ABATTOIR" moet 5 mm hoog wees en die letter "A" en syfers van die identifikasienommer moet 8 mm hoog wees.

(2) Die merk moet op 'n opsigtelike plek op die pluimvee- of konynvleis of op 'n opsigtelike plek op die omhulsel van sodanige vleis aangebring word.

(3) Die grootte van die merk op die omhulsel van pluimvee- of konynvleis mag verklein word mits dit duidelik leesbaar is en die verhouding van die reghoek tot die hoogte van die letters en syfers behou word.

(4) Die merk kan op die omhulsel of op 'n kleefetiket wat vernietig sal word met die verwydering daarvan van die omhulsel, aangebring word.

(5) Die merk moet duidelik sigbaar en die letters en syfers duidelik leesbaar wees.

(6) Slegs veilige, eetbare merkink deur die Direkteur van Vleishigiëne goedgekeur, mag vir die merk van vleis gebruik word.

TABEL 1

SIEKTE OF TOESTAND

Pluimvee A	Konyne B
1. Aansteeklike Bursalesiekte (Gumboro). Asemhalingsiektes. Chlamydiose. Eendepes. Enteritis. Erysipelas. Gansinfluensa. Hoenderpes. Ingewandsjig. Lamsiekte (Botulisme). Listeriose. Miltsiekte. Newcastlesiekte. Piëmie. Salmonellose. Septisemie. Toksemie. Tuberkulose. Virushepatitis van eende.	Asemhalingsiektes. Enteritis. Europese Bruinhaassindroom. Hondsdolheid. Konynpokke. Lamsiekte (Botulisme). Listeriose. Miksomatose. Miltsiekte. Piëmie. Pseudotuberkulose (Yersinia (Pasteurella) pseudotuberculosis]. Salmonellose. Septisemie. Tetanus. Toksemie. Toksoplasmose. Tuberkulose. Tularemie. Tyzzer se siekte. Virus hemoragiese siekte.
2. Abnormale kleur of reuk. Skadelike antibiotiese, chemiese of biologiese residue. Sterwend. Uittering.	
3. Enige ander ooglopende siekte of toestand.	

No. R. 677 23 April 1993

ABATTOIR HYGIENE ACT, 1992
(ACT No. 121 OF 1992)

EXEMPTION OF CERTAIN CATEGORIES OF PERSONS FROM SECTION 3 (1) OF THE ACT

The Minister of Agriculture has, under the powers vested in him by section 24, read with section 3, of the Abattoir Hygiene Act, 1992 (Act No. 121 of 1992), made the regulations in the Schedule.

3) Meat

SCHEDULE

Definitions

1. In these regulations any word or expression to which a meaning has been assigned in the Act shall have that meaning and—

"the Standing Regulations" means the Standing Regulations under the Abattoir Hygiene Act, 1992 (Act No. 121 of 1992), published by Government Notice No. R. 3505 of 9 October 1969, as amended; and

"the Act" means the Abattoir Hygience Act, 1992 (Act No. 121 of 1992).

Exemption in respect of slaughter for own consumption

2. (1) Subject to the provisions of subregulations (2), (3), (4), (5) and (6) any person who slaughters for own consumption, is exempted from the provisions of section 3 (1) of the Act in respect of the slaughter of animals for obtaining meat—

(a) for consumption by such a person, his household and non-paying guests; and

(b) for consumption by the employees of such a person and the households and non-paying guests of such employees.

(2) The slaughter of animals by a person referred to in subregulation (1), shall occur on land in respect of which that person—

(a) is the owner by virtue of a deed of grant or title deed registered under the Deeds Registeries Act, 1937 (Act No. 47 of 1937), in respect of that land;

(b) is the lawful tenant or occupier; or

(c) otherwise has the right of control, management, use or supervision.

(3) (a) A person referred to in subregulation (1) shall not slaughter more than one bovine, one equine animal, three pigs, two calves, four sheep, four goats, 50 rabbits or 50 head of poultry per week.

(b) A person referred to in subregulation (1) may, in addition to any animals slaughtered in accordance with paragraph (a), slaughter one ostrich per week.

(4) The portions of animals slaughtered for own consumption that are not utilized, shall be disposed of in accordance with the health requirements of the relevant local authority.

(5) Any other legal provisions regulating the keep and slaughter of animals on land referred to in subregulation (2), shall be complied with in addition to the provisions of the Act and these regulations.

No. R. 677 23 April 1993

WET OP ABATTOIRHIGIËNE, 1992
(WET No. 121 VAN 1992)

VRYSTELLING VAN BEPAALDE KATEGORIEË PERSONE VAN ARTIKEL 3 (1) VAN DIE WET

Die Minister van Landbou het kragtens die bevoegdheid aan hom verleen by artikel 24, saamgelees met artikel 3, van die Wet op Abattoirhigiëne, 1992 (Wet No. 121 van 1992), die regulasies in die Bylae uitgevaardig.

BYLAE

Woordomskrywing

1. In hierdie regulasies het enige woord of uitdrukking waaraan 'n betekenis in die Wet geheg is, daardie betekenis en beteken—

"die Staande Regulasies" die Staande Regulasies kragtens die Wet op Abattoirhigiëne, 1992 (Wet No. 121 van 1992) gepubliseer by Goewermentskennisgewing No. R. 3505 van 9 Oktober 1969, soos gewysig; en

"die Wet" die Wet op Abattoirhigiëne, 1992 (Wet No. 121 van 1992).

Vrystelling ten aansien van slag vir eie gebruik

2. (1) Behoudens die bepalings van subregulasies (2), (3), (4), (5) en (6) word iemand wat vir eie gebruik slag, vrygestel van die bepalings van artikel 3 (1) van die Wet ten aansien van die slag van diere vir die verkryging van vleis—

(a) vir verbruik deur so 'n persoon, sy huishouding en nie-betalende gaste; en

(b) vir verbruik deur die werknemers van so 'n persoon en die huishoudings en nie-betalende gaste van sodanige werknemers.

(2) Die slag van diere deur 'n persoon in subregulasie (1) bedoel, moet plaasvind op grond ten opsigte waarvan daardie persoon—

(a) die eienaar is uit hoofde van 'n grondbrief of titelbewys wat kragtens die Registrasie van Aktes Wet, 1937 (Wet No. 47 van 1937) ten opsigte van daardie grond geregistreer is;

(b) die wettige huurder of bewoner is; of

(c) andersins die reg van beheer, bestuur, gebruik of toesig het.

(3) (a) 'n Persoon in subregulasie (1) bedoel, mag hoogstens een bees, een lid van die perdefamilie, drie varke, twee kalwers, vier skape, vier bokke, 50 konyne of 50 stuks pluimvee per week slag.

(b) 'n Persoon in subartikel (1) bedoel mag, benewens enige diere geslag in ooreenstemming met paragraaf (a), een volstruis per week slag.

(4) Die gedeeltes van diere geslag vir eie gebruik wat nie benut word nie, moet oor beskik word ooreenkomstig die gesondheidsvereistes van die betrokke plaaslike owerheid.

(5) Enige ander wetlike voorskrifte wat die aanhou en slag van diere reël op grond soos in subregulasie (2) bedoel, moet benewens die bepalings van die Wet en hierdie regulasies nagekom word.

(6) Meat derived from animals slaughtered for own consumption in terms of this exemption, shall not be sold or disposed of in any way for a consideration.

Exemption of persons belonging to the Muslim Faith

3. (1) Subject to the provisions of subregulations (2), (3), (4) and (5), any person who belongs to the Muslim Faith is exempted from the provisions of section 3 (1) of the Act in respect of the slaughter of animals—

(a) as "Qurbani" on the occassion of the commemmoration of "Eid-ul-Adha" in the month of "Zil-Haj";

(b) as an offering on the occasion of "Ahkika" to commemorate the birth of a child; or

(c) as "Sadqua" in the form of an offering.

(2) The slaughter of animals as referred to in subregulation (1), shall only be performed by persons—

(a) authorized thereto under Islamic Laws; and

(b) who has the necessary knowledge and physical ability to perform such a slaughtering without inflicting unnecessary pain on the animal.

(3) A person who slaughters animals under this exemption shall—

(a) obtain prior written permission thereto from the local health authority of the area where such a slaughtering occurs; and

(b) obtain prior permission thereto from the owner, tenant or person in control of the land where such slaughtering occurs if the person who performs the slaughtering is not the owner, tenant or person in control of the relevant land.

(4) The portions of a sacrificial animal that are not utilized, shall be disposed of in accordance with the health requirements of the relevant local authority.

(5) Meat obtained from an animal slaughtered as an offering—

(a) shall be handled in a hygienic manner at all times; and

(b) may only be distributed as ordained by Islamic Law.

Exemption of persons that belong to indigenous religions

4. (1) Subject to the provisions of subregulations (2), (3) and (4) any person that belongs to an indigenous religion is exempted from the provisions of section 3 (1) of the Act in respect of the slaughter of animals in accordance with the ritual customs of a certain tribe or population group.

(2) A person who slaughters animals under this exemption shall—

(a) obtain prior written permission thereto from the local health authority of the area where such a slaughtering occurs; and

(b) obtain prior permission thereto from the owner, tenant or person in control of the land where such slaughtering occurs if the person who performs the slaughtering is not the owner, tenant or person in control of the relevant land.

(6) Vleis afkomstig van diere geslag vir eie gebruik ingevolge hierdie vrystelling, mag nie verkoop of op enige wyse vir teenwaarde van die hand gesit word nie.

Vrystelling van persone wat aan die Moslemgeloof behoort

3. (1) Behoudens die bepalings van subregulasies (2), (3), (4) en (5) word iemand wat aan die Moslemgeloof behoort vrygestel van die bepalings van artikel 3 (1) van die Wet ten aansien van die slag van diere—

(a) as "Qurbani" by geleentheid van die viering van "Eid-ul-Adha" in die maand van "Zil-Haj";

(b) as 'n offerande by geleentheid van "Ahkika" om die geboorte van 'n kind te vier; of

(c) as "Sadqua" in die vorm van 'n offerande.

(2) Die slag van diere soos in subregulasie (1) bedoel, mag alleenlik verrig word deur persone—

(a) bevoeg daartoe kragtens die Islamitiese Wette; en

(b) wat oor die nodige kundigheid en fisiese vermoëns beskik om sodanige slagting uit te voer sonder om 'n dier onnodige pyn te veroorsaak.

(3) Iemand wat diere ingevolge hierdie vrystelling slag, moet—

(a) vooraf skriftelike toestemming daartoe verkry van die plaaslike gesondheidsowerheid van die gebied waar sodanige slagting plaasvind; en

(b) vooraf toestemming daartoe verkry van die eienaar, huurder of persoon in beheer van die grond waar sodanige slagting plaasvind indien die persoon wat die slagting uitvoer, nie die eienaar, huurder of persoon in beheer van die betrokke grond is nie.

(4) Die gedeeltes van 'n offerdier wat nie benut word nie, moet oor beskik word ooreenkomstig die gesondheidsvereistes van die betrokke plaaslike owerheid.

(5) Vleis verkry van 'n dier as 'n offerande geslag—

(a) moet te alle tye op 'n higiëniese wyse hanteer word; en

(b) mag slegs versprei word soos bepaal deur Islamitiese Wette.

Vrystelling van persone wat aan inheemse gelowe behoort

4. (1) Behoudens die bepalings van subregulasies (2), (3) en (4) word iemand wat aan 'n inheemse geloof behoort, vrygestel van die bepalings van artikel 3 (1) van die Wet ten aansien van die slag van diere volgens die rituele gebruike van 'n bepaalde stam of bevolkingsgroep.

(2) Iemand wat diere ingevolge hierdie vrystelling slag moet—

(a) vooraf skriftelike toestemming daartoe verkry van die plaaslike gesondheidsowerheid van die gebied waar sodanige slagting plaasvind; en

(b) vooraf toestemming daartoe verkry van die eienaar, huurder of persoon in beheer van die grond waar sodanige slagting plaasvind indien die persoon wat die slagting uitvoer, nie die eienaar, huurder of persoon in beheer van die betrokke grond is nie.

(3) The portions of an animal slaughtered in accordance with ritual customs that are not utilized, shall be disposed of in accordance with the health requirements of the relevant local authority.

(4) The meat and edible offal obtained from ritual slaughtering—

(a) shall be handled in a hygienic manner at all times; and

(b) may only be distributed as stipulated in the written permission from the local health authority.

Exemption of persons that slaughter for acquisition of skins

5. Any person who slaughters an animal for the acquisition of the skin thereof, is exempted from the provisions of section 3 (1) of the Act provided that the meat, offal and animal products of such an animal is disposed of in accordance with the provisions of Part VIII of the Standing Regulations.

(3) Die gedeeltes van 'n dier volgens rituele gebruike geslag wat nie benut word nie, moet oor beskik word ooreenkomstig die gesondheidsvereistes van die betrokke plaaslike owerheid.

(4) Die vleis en eetbare afval verkry van rituele slagting—

(a) moet te alle tye op 'n higiëniese wyse hanteer word; en

(b) mag slegs versprei word soos bepaal in die skriftelike toestemming vanaf die plaaslike gesondheidsowerheid.

Vrystelling van persone wat slag vir verkryging van velle

5. Iemand wat 'n dier slag vir die verkryging van die vel daarvan, word vrygestel van die bepalings van artikel 3 (1) van die Wet, op voorwaarde dat die vleis, afval en dierlike produkte van so 'n dier oor beskik word ooreenkomstig die bepalings van Deel VIII van die Staande Regulasies.

DEPARTMENT OF MANPOWER

No. R. 632 23 April 1993

LABOUR RELATIONS ACT, 1956

BUILDING INDUSTRY, WESTERN PROVINCE: AMENDMENT OF THE AGREEMENT FOR THE CAPE PENINSULA

I, Leon Wessels, Minister of Manpower, hereby—

(a) in terms of section 48 (1) (a) of the Labour Relations Act, 1956, declare that the provisions of the Agreement (hereinafter referred to as the Amending Agreement) which appears in the Schedule hereto and which relates to the Undertaking, Industry, Trade or Occupation referred to in the heading to this notice, shall be binding, with effect from the second Monday after the date of publication of this notice and for the period ending 31 October 1993, upon the employers' organisations and the trade unions which entered into the Amending Agreement and upon the employers and employees who are members of the said organisations or unions; and

(b) in terms of section 48 (1) (b) of the said Act, declare that the provisions of the Amending Agreement, excluding those contained in clauses 1 (1) (a) and 2, shall be binding, with effect from the second Monday after the date of publication of his notice and for the period ending 31 October 1993, upon all employers and employees, other than those referred to in paragraph (a) of this notice, who are engaged or employed in the said Undertaking, Industry, Trade or Occupation in the areas specified in clause 1 of the Amending Agreement.

L. WESSELS,

Minister of Manpower.

DEPARTEMENT VAN MANNEKRAG

No. R. 632 23 April 1993

WET OP ARBEIDSVERHOUDINGE, 1956

BOUNYWERHEID, WESTELIKE PROVINSIE: WYSIGING VAN DIE OOREENKOMS VIR DIE KAAPSE SKIEREILAND

Ek, Leon Wessels, Minister van Mannekrag, verklaar hierby—

(a) kragtens artikel 48 (1) (a) van die Wet op Arbeidsverhoudinge, 1956, dat die bepalings van die Ooreenkoms (hierna die Wysigingsooreenkoms genoem) wat in die Bylae hiervan verskyn en betrekking het op die Onderneming, Nywerheid, Bedryf of Beroep in die opskrif by hierdie kennisgewing vermeld, met ingang van die tweede Maandag na die datum van publikasie van hierdie kennisgewing en vir die tydperk wat op 31 Oktober 1993 eindig, bindend is vir die werkgewersorganisasies en die vakverenigings wat die Wysigingsooreenkoms aangegaan het en vir die werkgewers en werknemers wat lede van genoemde organisasies of verenigings is; en.

(b) kragtens artikel 48 (1) (b) van genoemde Wet, dat die bepalings van die Wysigingsooreenkoms, uitgesonderd dié vervat in klousules 2 (1) (a) en 2 met ingang van die tweede Maandag na die datum van publikasie van hierdie kennisgewing en vir die tydperk wat op 31 Oktober 1993 eindig, bindend is vir alle ander werkgewers en werknemers as dié genoem in paragraaf (a) van hierdie kennisgewing wat betrokke is by of in diens is in genoemde Onderneming, Nywerheid, Bedryf of Beroep in die gebied in klousule 1 van die Wysigingsooreenkoms gespesifiseer.

L. WESSELS,

Minister van Mannekrag.

Govt has no extra aid for red meat farmers

(3) meat

BDAY 18/5/93

GERALD REILLY

PRETORTIA — Red meat producers were told yesterday government did not have the funds to grant additional aid to farmers in a "disaster situation" because of drought.

Speaking at a congress of the Red Meat Producers' Organisation in Kimberley, Agriculture Minister Kraai Van Niekerk said any additional help could come only from rearrangement of priorities and a reshuffle of available funds.

Producers did not see existing aid schemes as adequate. The SA Agricultural Union had proposed that farmers be paid their one-off cash subsidy of R120 per large animal but this was rejected. Van Niekerk said the union's proposals would have cost government R1bn.

The proposals would also have had only a short-term effect, and government did not have the funds to meet the request.

It was necessary to identify areas of greatest need in the industry with a view to strengthening existing aid schemes.

Van Niekerk said the Cabinet had to be told of the effect of a "no help" scenario on farmers, the platteland and the economy.

The drought of the past 10 years, weakening exchange rates, sharply fluctuating fibre and meat prices, and an increasing debt burden and relatively high interest rates in a stagnating general economy had placed great financial pressure on red meat producers.

Van Niekerk said with the comparatively low world prices for maize it was understandable that some consumers were now pressing for the continued import of maize.

But with the expected surplus this season continued imports were unlikely.

Meat imports remained a source of concern for producers, who had asked for a total ban on them as they depressed auction prices.

However, SA was a net importer of meat for the manufacture of meat products, and a total ban on imports would damage the red meat industry.

Van Niekerk said government believed postponing Abacor's privatisation would erode its potential profitability and damage the economy.

Privatisation Office proposals on alternative routes for privatisation would soon be submitted.

Van Niekerk said while the corporation remained statutorily limited to rendering utility service only, it could not compete with private enterprises. Should this situation continue, its market share and profitability would be eroded unfairly.

☐ Maize Board recommendations on the maize price would be presented to Cabinet tomorrow, Sapa reported.

Abakor puts JSE listing on ice

SIDAY 14/5/93

(3) Meat

TIM COHEN

CAPE TOWN — Government announced yesterday that Abakor would delay its listing on the JSE until market conditions improved and the newly commercialised company had diversified successfully.

Agriculture Minister Kraai van Niekerk said in a statement the main reason for the delay was the uncertainty in the meat industry following deregulation earlier this year.

The delay, which took place at the recommendation of Abakor's management, would give the company an opportunity to consider further diversification which would result in additional value being added to Abakor's products.

Although Abakor has proved a profitable venture, its market share is understood to have declined since deregulation of the meat industry.

Further deregulation is considered possible.

Abakor MD Frans van der Vyver said that given the weak economic and agricultural climate, listing the company now would be "nothing more than irresponsible".

Van der Vyver said there were many opportunities for co-operation and building of sound relations. Abakor was currently investigating several projects.

One of the significant advantages of the establishment of Abakor as a public company was that it would be freed of the trading constraints laid down in the old abattoir legislation.

"Now that we have loosened the chains, Abakor is in a position to show better results over a period of time so that prospective investors would be in a better position to make better considered assessments," he said.

WINE FM 28/5/93 (3) wine + viticulture

Winds of change

The guest speaker at this year's Nederburg Auction was Christian Bizot, president of Champagne Bollinger and one of the most respected figures in the world of wine. Not only was his frankness refreshing but the views he expressed contained vital information for a country re-entering export markets after an absence of several years.

"French wines," he observed, "dominated the wine market 40 years ago. They were regarded as the only wines ... and they deserved this high reputation, as they had behind them history, the proper *terroir* (soils), the proper *cepages* (varietals) and the proper vinification.

"Today," he continued, "... wines from what we call the New World have made a dramatic entry into world markets ... French wines are not the only quality wines of the world any more ... great French wines still have an essential role to play: to be the ultimate point of reference ..."

I confess I found myself listening to his carefully reasoned affirmation of France as the home of great wine with a feeling akin to awe — if only for its sheer chutzpah. The 1 000-odd members of the audience were all directly involved in producing and marketing Cape wine. It seemed inconceivable anyone would risk upsetting their assumptions.

It was not that long ago that Gunter Brozel — then cellarmaster at Nederburg — looked me in the eye and said: "SA produces the best South African wines in the world." I understood from this remark that he was unwilling to see Cape wines compared.

Conventional wisdom still maintains that the best SA wines can hold their own against all comers. Few people go out and test the reality of this assumption. Bizot was telling the country's winemakers that the international market is a great leveller. Pretensions to quality are meaningless if the contents of the bottle fail to deliver what the label and price promise.

In the last two years the Cape's boutique wine producers have begun learning this lesson. A top local red wine might fetch R30 a bottle in SA, where few wine drinkers are familiar with international standards.

On the international battlefield, a wine must measure up to whatever else is selling at that price point. In the UK, 85% of all wine sales take place in the under-£3,49 band; netting off this figure the essential add-ons for duty, VAT and handling, it means that the UK market deals mainly in wines which leave their countries of origin at about R5 a bottle. To find a UK importer willing to pay R30 a bottle, you have to offer the equivalent of a Classed Growth from Bordeaux.

The Cape's wine exports grew by over 100% last year. We now sell more than 2m cases abroad, an amount equal to about 6% of the domestic wine market though less than 2% of the actual grape crop. The two biggest

 (3) wine + viticulture

FM 28/5/93

brands are KWV Roodeberg and KWV Chenin Blanc, both of which obviously sell under the £3,49 mark.

Life in the laager has prevented growers and consumers from confronting the real world. Christian Bizot's message was simple enough: aim to be best but know the competition. What showed how the winds of change have blown through Paarl was the rousing applause with which he was acknowledged.

Michael Fridjhon

Abakor's JSE listing delayed

THE government announced yesterday that Abakor would delay its listing on the JSE until market conditions improved and the newly-commercialised meat company had successfully diversified. (3) MEAT

Agriculture Minister Mr Kraai van Niekerk said the main reason for the delay was the uncertainty in the meat industry following deregulation earlier this year.

Abakor managing director Mr Frans van der Vyver said that given the weak economic and agricultural climate, listing the company now would be "nothing more than irresponsible". CT 14/5/93

New outlet to offer meat at cut rates

Star 28/5/93

By Zingisa Mkhuma

3 Meat

The Organisation of Livestock Producers (OLP) is to open its first Farm to Family franchise on the Reef next week.

It will supply red meat directly to consumers at up to 30 percent below chainstore prices.

The outlet will open in Edenvale on Monday. Reduced prices would be consistently maintained, not just a once-off promotion, OLP chairman Nils Dittmer said yesterday.

He said producers who supply the Farm to Family outlet would not pay the compulsory statutory levy imposed by the Meat Board on carcasses. However, the board had indicated it would not confiscate the meat, as it did in the past.

The OLP had also negotiated with State-owned Abacor abattoirs to pay a reduced commission of 1 percent as opposed to the usual 4 percent charged for each slaughtered animal.

"Farm to Family will bypass the Meat Board's grading system which the OLP believes is neither relevant to consumer tastes nor understood by consumers," Dittmer said.

NEWS

Star 31/5/93

Cut-rate meat challenge

(3) Meat

By Helen Grange

Meat wholesalers and food chainstores are expected to look for ways to compete with the cut-rate prices being offered at the Farm to Family store — opening today — by rebel farmers in Edenvale on the East Rand.

The Farm to Family store was the brainchild of about 500 farmers who have decided to sell their produce direct to the consumer at drastically reduced prices by bypassing costly regulations controlling the market.

Checkers managing director Sergio Martinengo said yesterday that Checkers made its own deals with meat wholesalers, and that ways might have to be found to buy more cheaply.

"The more retailers are free of regulations, the more their competitors are forced to compete with the lower prices which result from this," Martinengo said.

He could not speculate, however, whether and by how much Checkers' meat prices would be affected.

The farmers' move to cut through Government red tape to sell meat more cheaply has been welcomed by consumer organisations. However, they warned the public not to expect "miracles" in the food chainstores.

Housewives' League president Jean Tatham said meat prices had been stable for a long time. The bulk of the increases had consisted of tax and not profits.

"There are not enormous profits to cut back from," she stated.

Tatham said that selling meat direct to the public was a positive development, as long as the meat was abattoir-approved.

"Abattoir approval is necessary because diseases can be transmitted in meat.

"Grading (practised by the Meat Board) is not necessary," she added.

The OK's Mervyn Kraitzick warned, however, that the absence of formal grading could mean that the public was not being sold top-quality meat, and that it would be unfair to compare prices.

The Meat Board said it had "nothing to do with" the farmers' initiative "as long as the meat is slaughtered at an approved abattoir".

Choice falls deeper into the red

MARCIA KLEIN (3) Meat

A VARIETY of adverse conditions in the red meat industry saw Choice Holdings report its fourth consecutive year of attributable losses. B/DAY 28/5/93

Choice said it had fallen deeper into the red in the year to end-February, with a loss of 5,46c a share. It reported a loss of 0,72c a share in financial 1992, which was an improvement over the previous year.

Directors said trading conditions in financial 1993 remained difficult due to political uncertainty, the recession and surplus stocks of red meat.

These factors, "together with strong competition, declining volumes and depressed selling prices" resulted in a significant loss for the year.

The 45,5% rise in turnover to R39,3m (R27m) was largely due to the acquisition of 12 retail butcheries situated within national retail chain stores.

But they said the expansion caused overhead costs to increase. Income before finance costs and depreciation was down 12,5% to R1,4m from R1,6m, and Choice showed a R462 000 loss before tax from income of R90 000 in the previous year. The net loss after tax grew to R540 000 from R24 000 previously.

After outside shareholders and extraordinary items, the net attributable loss was R792 000 (R290 000).

Benefits arising from the expansion were expected in the coming year.

In November Choice cautioned shareholders that it was involved in negotiations which could affect its share price. It was reported that management was looking at recapitalising the company.

Star 11/6/93

Stampede for meat

By Abdul Milazi

(3) Meat

Hundreds of people went into a shopping frenzy at the opening of a rebel butchery in Edenvale yesterday, snapping up about 20 tons of cut-price meat in two hours.

Four hours after the Farm to Family market opened its doors, the crowd outside grew in size as shoppers were allowed in in groups. Shelves were emptied as soon as they were packed.

The Farm to Family meat market, the second of its kind in the country, was the brainchild of 500 Transvaal cattle farmers who decided to sell directly to the public — cutting through the industry's red tape.

The first market was opened in Harrismith three months ago.

The farmers, working under the banner of the Organisation of Livestock Producers (OLP), are convinced they have broken the monopoly of giant meat-supplying bodies like Vleissentraal, Kanhym and Imperial Cold Storage, which control 80 percent of the industry.

OLP chairman Nils Dittmer said his organisation aimed to undercut retail prices by 45 percent. The opening of the Edenvale market was only the beginning, he said.

The farmers are planning to establish five similar markets in Johannesburg alone by the end of next year.

Shoppers Nancy van Huysteen and Shauna Brits of Bez Valley, who between them bought 40 kg of meat, said the market was a "marvellous" move.

The Meat Board has said it will not interfere with the farmers' venture as long as the meat is slaughtered at an approved abattoir.

Star 11/6/93

BNP warns of sit-ins

MASERU — Lesotho's first democratic parliament in more than 23 years opens on Friday despite threats of sit-ins by the Basotho National Party.

BNP leader Chief Evaristus Sekhonyana has warned that his party would disrupt the opening of parliament where the Basotholand Congress Party has won all seats.

The BNP still claims there were irregularities in the March elections, even though international observer groups declared the process free and fair. — Star Africa Service.

Armscor man on fraud charges

Star 11/6/93

A man had appeared in court on charges of fraud and corruption after investigations of alleged irregularities in certain Armscor contracts, Serious Economic Offences director J A Swanepoel said yesterday.

He said a former Armscor employee, a Mr Kymdell, had appeared in the Pretoria Regional Court. He was granted bail and would appear in court again at the end of next month.

Advocate Swanepoel said Kymdell's appearance followed the conclusion of several investigations of alleged irregularities in Armscor dealings.

One investigation, the contractual relationship between Armscor and Spescom, found no evidence that an offence had been committed.

A third investigation, into irregularities in orders and purchases, had not revealed any offence by Armscor or its personnel, Swanepoel said. — Sapa.

Farm to Family managing committee member Nils Dittmer, left, and butchery owner Dave McBride, right, with Terence Conroy from Rustenburg at the mini-meat market's opening in Edenvale yesterday. Picture: ROBERT BOTHA

Support for new butchery

MARIANNE MERTEN

CONSUMER support at yesterday's opening of the Farm to Family Butchery in Edenvale — which has pledged to sell red meat up to 30% more cheaply than the chainstores — had been excellent, shop owner Dave McBride said.

The Organisation of Livestock Producers is supplying the meat and chairman Nils Dittmer is on the Farm to Family managing committee. Buss Day

McBride said costs were cut by selling about 80% of the meat prepacked.

There were about 1 000 customers before lunch yesterday, buying an average of 15kg each. 1/6/93

Dittmer said their meat was from animals slaughtered at approved abattoirs. It was checked by health inspectors. (3) Meat

A deal with Abacor enabled the producers' body to pay 1% commission for every animal slaughtered instead of 4%. Producers would also receive better prices for hides and offal.

Previously it cost about R140 to R150 to slaughter an animal, but abattoirs now accepted offal and hides to cover their costs.

Meat prices 'should be lowered'

(3) MEAT CT 5/7/93

Staff Reporter

MEAT prices should not be affected by increased Meat Board producer levies, and "should rather be lowered", the Consumer Council advised yesterday.

In a statement which followed the Meat Board's announcement on Saturday that red meat levies were to be increased to 1990 levels, the executive director of the Consumer Council, Mr Jan Cronjé, said retailers should not use the increase "as an excuse to increase meat prices".

The new tariff at abattoirs will be raised from the present R11,37 per head of cattle to R15,80.

Mr Cronjé said the new producer levies should have no influence on retail prices as they had virtually no effect on the supply and demand basis which determined red meat prices.

He said the council was already worried about the large difference between producer and retail prices and "retail prices should rather be lowered".

The levy increase will be applicable from July 19, the Meat Board said.

The board said the maintenance of effective fund levels ensured the continued survival of an independent red meat industry, which would benefit all interest groups — producers, meat traders and consumers — as well as the country's economy.

(3) meat

Biting back at prices

FM 11/6/93

A little deregulation has gone a long way towards bringing down the retail price of red meat, but the ultimate step of privatising the State-owned Abattoir Corp (Abacor), originally planned for last November and then May or June, has once again been postponed.

Agriculture Minister Kraai van Niekerk says the hold-up is due to continuing deliberations on "the ideal form of a privatised Abacor." Government's current proposal is for Abacor, which runs 11 abattoirs, to be

cont

FM 11/6/93.

(3) meat

sold as one corporation. Other proposals call for selling them separately (*Business & Technology* April 9). Van Niekerk says proposals for "alternative routes for privatisation" will soon be submitted by the Office for Privatisation.

While government goes back to the drawing board on that issue, cattle farmers and retailers are taking advantage of the partial deregulation in the meat industry that took place in January. Caught between falling demand as the recession nears the four-year mark and seasonal and climate-driven oversupply — during last year's drought cattle slaughter increased by 4% — meat prices are going down fast. Discounting is helping to speed the drop.

The maverick free-market Organisation of Livestock Producers recently opened its first urban Farm to Family outlet in Edenvale, east of Johannesburg, vowing to drive down retail prices. "Our outlets will consistently offer high-quality red meat at prices 13%-30% below chain store prices," says chairman Nils Dittmer. "Lower prices will not be a one-off promotion, but will be maintained because costly and unnecessary regulations are bypassed."

Major supermarket chains say they welcome the challenge but downplay the discount angle. "Far from regarding the organisation as hostile competition, we see it as an important development in the industry," says Pick 'n Pay joint MD Gareth Ackerman. "It is only through competition and growth in the red meat market that our industry will prosper. But, comparing like with like, the organisation's pricing does not constitute a dramatic discount on similar cuts provided by Pick 'n Pay."

Malcolm Simpson, national GM of Pick 'n Pay's meat-marketing arm Blue Ribbon Meat, says the deregulation has allowed the Cape-based chain to source about half of all its Cape lamb directly from producers, thus bypassing the official and cumbersome auction system at Abacor. And, while only about 20% of its Cape pork and 5% of its beef supplies are sourced directly, he sees these percentages growing exponentially — as in the rest of SA.

"Direct deals with producers allow us to provide consistency in price and quality to our consumers because we will no longer be subject to the vagaries of the auction system and uncertainties of supply, price and quality encountered at official abattoir auctions. We are watching the Organisation of Livestock Producers' initiative but some of our prices are already competitive to those offered."

Checkers, too, is rushing to be seen as a haven for bargain-hunting meat shoppers. "While our focus is to broaden market share, consumers now benefit from prices that have dropped 15%-30%," says a Transvaal regional manager, Hennie Hattingh. "We now have 10 specials a week."

Dittmer argues that Farm to Family promises consistently lower prices instead of the chains' irregular specials. The Meat Board's Jurie Erasmus says it has "no argument with the organisation's initiative, as long as it meets the hygienic and floor price levy requirements." ■

Star 28/6/93

ICS, Foodcorp tie up

By Stephen Cranston

ICS and Foodcorp have merged their processed meat interests into one company to be called Enterprise Foods.

The group will market and distribute the two leading processed meat brands, Enterprise and Renown.

Foodcorp has acquired 50 percent of ICS's distribution arm, The Cold Chain, which already distributes Foodcorp's Table Top products.

Foodcorp will pay ICS R15 million for the teo deals.

ICS MD Nick Dennis says that the deal has strategic benefits for both groups.

Foodcorp, with processing plants in Pietersburg and on the Reef, will now have access to ICS plants, located in Natal and Cape Town, with obvious transport cost advantages.

"At the same time, there are also savings and improved efficiencies in channeling the processed meat products for distribution through The Cold Chain.

"The deal will result in a vibrant and viable national processed meat company," says Dennis.

"By combining resources from both groups, we will be able to minimise costs and create opportunities which will benefit both the retailer and consumer."

Foodcorp CEO Dirk Jacobs says: "The prepared-meat industry is subject to tremendous cost pressures.

"It is a comparatively small sector of the total protein market and, because of intense competition from substitute products, prepared-meat price increases over the past four years have not exceeded eight percent per year, well below the rate at which costs have risen.

(3) Meat

"Better utilisation of the enlarged group's manufacturing capacity will improve overhead recoveries and efficiency.

"In addition, it will have factories strategically sited near all the major markets, and this will slash cross-railing and other costs."

Kliptoy 5/7/93

Red meat levies up

PRODUCER levies on red meat are to be restored to the 1990 level with effect from July 19, the Meat Board announced at the weekend.

The Consumer Council said the new levies should have no effect on retail prices, and retailers should not use them as an excuse to increase meat prices.

3 Meat

B/Day

Levies 'inevitable'

THE increased levies charged by the Meat Board were unfortunate but inevitable, Red Meat Producers' Organisation manager Gert Schutte said yesterday. 6/7/98

SA Pork Producers' Organisation chairman Kosie Snyman said his organisation still supported the levy system.

3 Meat

Meat Board jacks up levy as the glut grows

S/Times [Buss] 4/7/93

(3) Meat

By CIARAN RYAN

THE Meat Board has increased levies on farmers to top up its dwindling stabilisation fund.

The fund has fallen to R200-million from R245-million a year ago, says deputy Meat Board general manager Frans Pieterse.

Meat farmers received R1-billion aid in 1992, the board has disclosed.

Theft

Mr Pieterse says: "Because of the drought there has been an oversupply of red meat and we have had to buy below the floor price.

"We are sitting with stock of R100-million. The floor price enabled farmers to survive the drought, but we cannot continue to operate the scheme without raising levies."

The Red Meat Producers Organisation says the increases are unfortunate but understandable.

The Organisation of Livestock Producers (OLP) says they amount to blatant theft.

Executive director Nils Dittmer says: "We will not pay the levies. If Abacor tries to force us to pay, we will go to other abattoirs.

"The Meat Board is trying to justify its existence. The reason the stabilisation fund has been run down is that floor prices are so high.

"The board should do away with the floor price and let the market decide what it is prepared to pay for meat."

Mr Pieterse says scrapping floor prices would not benefit consumers because supermarkets do not pass on their cost benefits.

"We are holding special promotions to sell 15 000 tons of meat from stock, but retail prices are still disturbingly high."

Beef levies were dropped to about 20c a carcass last year when the Government scrapped permits which restricted the movement of meat.

The new beef levy, approved by the Government, is R11,37 a head. The Meat Board says this is still lower than the R15,80 charged in 1990.

The new levy for sheep and goats is R1,45 compared with 93c in 1990.

Chairman Fanie van Rensburg says the board is proud it was able to assist farmers through the drought without State assistance.

He says: "The maintenance of effective fund levels will ensure the continued survival of an independent red-meat industry which will benefit producers, traders and consumers."

Network

Mr Dittmer says the answer to the regulated meat scheme is more independent butchers buying meat direct from producers. He has announced the opening of two more Farm to Family franchises, offering meat at up to 40% below normal market prices.

The success of the Edenvale franchise which opened in May prompted the OLP to accelerate the expansion of the retail network to Pretoria and Johannesburg.

SA's meat mountain still rising

□ Board, retailers wrangle as ANC calls for strategy

(3) MPT 20/7/93

Staff Reporter

THE meat mountain is taking on Everest proportions.

It was expected to decrease as the longer-term effects of the drought came into play, but this has not happened and the stockpile continues to grow.

While the Meat Board and retailers continue to blame each other for the glut, African National Congress Western Cape chairman Dr Allan Boesak has appealed for a combined strategy to provide affordable meat for the poor.

"The stockpiling of meat in an economy where people are unemployed and often close to starvation is grossly inhumane," said Dr Boesak.

The Meat Board said it was 'very worried" as the mountain climbed towards the 14 000-ton mark, or over R100 million worth.

Deputy general-manager Mr Frans Pieterse laid the blame at the door of retailers.

He said the board was "sitting with" about 12 000 tons of stockpiled beef, 1 000 tons of mutton and nearly 1 000 tons of pork in freezers throughout the country.

"We are particularly worried about the gap between producer and consumer prices.

"We sincerely would like to see some guideline prices put into effect."

But, Blue Ribbon general manager Mr Malcolm Simpson said it was the Meat Board's fault they were stuck with their mountain.

"We are importing boxed, frozen meat of a better quality at a cheaper price from Botswana and Namibia than the Meat Board is able to offer.

"We told the Meat Board if they were able to provide us with fresh meat instead of deboning and freezing it, we would snap up 20 tons a week in Cape Town alone.

"If they could provide this meat, the consumer would get a better quality product ... although not necessarily at a cheaper price," he said.

A spokesman for Shoprite-Checkers said they sold only fresh meat and the frozen stockpile therefore did not affect them.

Last July, when The Argus reported that stockpiling was taking place, the meat mountain stood at 9 000 tons.

Since then, the board has tried several schemes to reduce the stock, but these have failed:

- Cut-price beef was released to shops on condition it was not marked up more than 10 percent, but board monitors found retailers were making profits in excess of that;
- Consumers were allowed to bid for meat at official auctions, but few turned up and those who did found it an alienating experience; and
- A tendering system was introduced, allowing consumers to bid for meat without attending the auctions, but this also failed to stimulate interest.

A spokesman for the board said the surplus removal scheme, designed to help drought-ravaged farmers, had benefited producers, but these benefits could not be passed on to the consumers.

The spokesman said the only ways to force the consumer price down was by "publicising the facts" or "subsidising meat completely, almost bypassing the trader".

He said the board had identified two reasons for the continued mountain growth:

- The economy was in tatters, affecting demand; and
- Retailers were caught up in price-driven, rather than volume-driven, cost curves.

The spokesman said special sales in East London in June proved to traders that volume-driven sales could be just as profitable.

Dr Boesak termed the manner in which marketing boards continued to monopolise "disgraceful".

He said the apparent refusal of retailers to give consumers the benefit of lower prices while claiming to represent the best interests of consumers was "of deep concern".

Meat body to seek members

B|Day

MARIANNE MERTEN

THE Red Meat Producers' Organisation (RPO) would actively recruit new members from among black commercial meat producers, manager Gerhard Schutte said yesterday.

The decision was taken at the organisation's annual congress last month as it was important the organisation represented the whole industry in a future dispensation, said Schutte.

It had already started rationalising to become more "cost effective". 2|7|93

The national executive was to be replaced by a smaller executive council whose paid members would include representatives from all provincial structures, he said. (3) Meat

It would become independent of the SA Agricultural Union (SAAU), while remaining affiliated.

Meat Board to sell 14 000-ton stockpile

(3) MEAT

CT 24/7/93

JOHANNESBURG. — The Meat Board's 14 000-ton stockpile of meat will be sold on the local market to consumers in promotional sales.

The board said the sales would start in Bloemfontein next week and run over the next few months around the country.

The announcement followed Pick n' Pay managing director Mr Gareth Ackerman's comment on Thursday that the stockpile was iniquitous in light of the thousands of deprived people in South Africa and because of the cost to taxpayers.

Calling for complete deregulation of the meat industry, Mr Ackerman said the abolition of the floor price would result in meat prices falling to their "normal" level, which would result in a massive saving in the consumer price. — Sapa

14 000-ton 'meat mountain' slammed

Staff Reporter (3) MEAT

THE Meat Board came under fire yesterday from leading chain stores for stockpiling 14 000 tons of meat, costing taxpayers money and depriving the underprivileged of meat.

Mr Gareth Ackerman, joint managing director of Pick 'n Pay Stores, said the meat mountain was "iniquitous" in light of the thousands of deprived people in South Africa.

"If floor prices were abolished meat prices would fall to their normal level."

The Meat Board would now probably export the meat at a discounted price and the deficit would be drawn from the Meat Stabilisation Fund, he said. CT 23/7/93

Mr Mervyn Kraitzick, merchandise director for OK Bazaars, said the costs of stockpiling should rather be fed into the pricing of the meat to benefit the consumer.

Dr D P Kempen, general manager of the Meat Board, said he looked forward to the day when prices in supermarkets would be lower than conventional butchers.

He pointed out that the Meat Board had not yet exported any of its stockpile at a loss. Instead meat at a discount price had been for sale in East London recently and similar promotions would be offered throughout the country.

The Meat Board's stockpile of meat was financed by levies from the producer and the trade in the rural areas and not the taxpayer, Dr Kempen said.

Meat Board stockpile 'iniquitous'

THE Meat Board's 14 000 ton meat stockpile was "iniquitous" in light of the thousands of deprived people and because of the cost to the taxpayer, Pick 'n Pay MD Gareth Ackerman said in Johannesburg yesterday. B/Day 23/7/93

Calling for complete deregulation of the meat industry, he said abolition of the floor price would result in meat prices falling to a "normal" level, resulting in a massive consumer price saving. (3) Meat

He said Pick 'n Pay was importing frozen boxed meat from Namibia and Botswana, which was cheaper and of a better quality than the board's frozen meat.

The board's adherence to existing legislation was resulting in a bureaucratic problem which could best be solved by the country's producers and retailers.

Ackerman predicted the board would probably try and resolve the stockpile problem by exporting the meat at a discount price, with the deficit being drawn from the Meat Stabilisation Fund.

With the relaxation of the meat scheme, traders were beginning to bypass the board system and trade directly with second and third parties, he said.

"Those who choose to bypass the meat scheme cannot be expected to pay for it, and this implies that participation should be completely voluntary."

Ackerman also accused the Meat Board and the Trade and Industry Department of stalling the determination of realistic duty structures on certain highly competitive imported meat types and blocking the issue of import permits. — Sapa.

RED MEAT FM 30/7/93

Let the market decide

(3) Meat

With Abacor's privatisation postponed for three years to allow the State-owned corporation time to prove its viability in a more competitive market, the main obstacle to a free market in red meat is the Meat Board's floor price scheme.

The fact that millions of rands were spent on Abacor's pre-listing advertising and marketing drive doesn't seem to matter much. After all, the State owns 100% of the shares in Abacor's holding company and the intention is to bring it to the market eventually.

Abacor MD Frans van den Vyver confirms the listing postponement as well as the corporation's objective of building up a solid profit record prior to going to the market. That, however, might be easier said than done. FM 30/7/93

Foodcorp CE Dirk Jacobs notes that with the free movement of slaughter meat now permitted (subject only to local hygiene standards) and supply exceeding demand for red meat, slaughter volumes at Abacor's City Deep (Johannesburg) abattoir are "under pressure." (3) Meat

One meat processor says Abacor slaughter volumes may have fallen "by as much as 20%" since government partially deregulated the meat scheme last year.

"Abacor, which controls most of the large urban abattoirs, with the exception of Maitland abattoir, is clearly feeling the stiffening winds of competition. Slaughter costs may even come down. Deregulation is beginning to work."

Pick 'n Pay joint MD Gareth Ackerman confirms that much of the group's red meat is now contractually slaughtered at smaller abattoirs in outlying areas, such as the Meatlands sheep abattoir in Colesberg.

This raises the question whether Abacor should be sold off as a single unit or as separate entities. GM of the giant meat co-operative Vleissentraal, Jan Lombard, prefers the "single unit" route, as this would provide "an orderly market with transparent price-forming."

But Organisation of Livestock Producers chairman Nils Dittmer believes Abacor abattoirs should be sold off separately, or

Cont

closed down if they cannot make the grade in a competitive market. "Let the market decide," he says. FM 30/7/93

Ackerman says the Meat Board's floor price scheme remains a stumbling block to free price-forming in the R8bn-R10bn red meat retail market — especially as about 14 000 t of frozen red meat was taken out of the market during the drought years to keep prices at artificially high reserve levels.

This is made possible through the compulsory levies paid by farmers on all slaughter meat.

Ackerman argues, however, that those who choose to by-pass the meat scheme should not be expected to pay for it. Dittmer agrees, adding compulsory floor price levies should be abolished. (3) Meat

"Further increasing levies, as happened recently, boils down to unjustified appropriation by a statutory body of funds belonging to farmers," he says.

But Jacobs points out that levies extracted from farmers are paid back to them in supporting a floor price mechanism. Thus farmers are the sole beneficiaries of the levies. He adds that with no alternative support mechanism available, he has no truck with a floor price mechanism financed by the producers themselves as an insurance against volatile price movements, mostly set off by climatic disasters.

OLP's Dittmer

"I personally favour a futures market, where farmers could hedge themselves against such eventualities, but this would have to be fully evaluated and may take a few years to establish. Until then, and in the absence of an improved alternative, one may have to accept floor prices," he says.

Meat Board GM Pieter Kempen says the board currently has about R239m in its stabilisation fund, used for buying in "surplus" stock at auctions.

He adds, however, that a substantial part of the fund is in the form of the 14 000 t frozen meat stockpile. "The stocks are gradually put back into the market by means of a tender system which has been in force at all auctions at Abacor abattoirs since last year. The board has also started to sell off part of the stock to the public through special promotions through the trade."

Renown Fresh Meat MD Roy Smither says the meat should be gradually released so as not to upset the market as this could force the board to buy in more fresh stock. ■

Abacor off the hook after probe

MATTHEW CURTIN

STATE-RUN abattoir Abacor has been let off the hook. BDay 4/8/93

The Competition Board had found the company not guilty of contravening the Monopolies Act after a four-month probe, an Abacor spokesman said yesterday.

The board launched its investigation in March after Pretoria-based Midnoord Verspreiders complained that Abacor, which became a public company in the same month, was refusing to supply it with fat.

The spokesman said the board found that Abacor had changed from "a dominant supplier" of fat to "one of many suppliers in the market place" after the deregulation of the meat industry.

Abacor MD Frans van der Vyver said in a statement: "It is time certain companies and pressure groups grew up. We are tired of being the whipping boy for those who want to make political capital out of this, or create unfair trading advantages for themselves."

The board's investigation coincided with government's decision in May to delay the privatisation of Abacor, owner of 11 abattoirs in SA, for three years pending the successful deregulation of the meat industry. (3) Meat

However, as a prelude to the planned privatisation, government handed over administration of the "offal pool" — waste products from slaughtered animals — to Abacor which Midnoord then alleged was refusing to supply it with fat.

Star 24/7/93

Meat Board sells stocks

THE Meat Board's 14 000-ton stockpile of meat will be sold on the local market to consumers in promotional sales.

(3) meat

The board said the sales would start in Bloemfontein next week and run over the next few months around the country.

The announcement followed Pick 'n Pay managing director Gareth Ackerman's comment on Thursday that the stockpile was iniquitous in light of the thousands of deprived people in South Africa.

Calling for the complete deregulation of the meat industry, Ackerman said the abolition of the floor price would result in meat prices falling to their "normal" level, which would result in a massive saving in the consumer price. — Sapa.

Bean buyer found

BEANS

DURBAN. — A buyer has been found for the 7 000 tons of sugar beans which have been lying in the harbour since they arrived from Hong Kong in November last year.

ARGT 24/7/93

Special meat deal

ARGT 24/7/93

JOHANNESBURG. — The Meat Board said yesterday it would sell its 14 000-ton stockpile to consumers in a series of countrywide special promotions, starting in Bloemfontein next week.

3 MEAT

FM 6/8/93

RED MEAT FM 6/8/93

(3) Meat

The cleavers are out

Deregulation of the red meat industry (*Business & Technology* July 30) has set the table for a competitive scrap that is, at last, beginning to offer consumers a fair choice in grades and prices of favourite cuts.

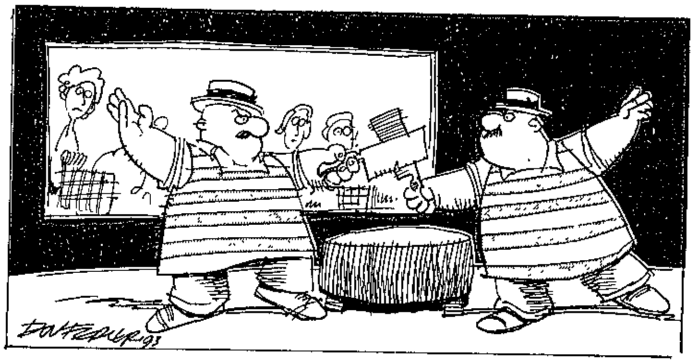
Leading the charge to force open more retail and wholesale channels is the small, vociferous but increasingly influential Organisation of Livestock Producers (OLP),

Cont →

whose first Farm to Family outlets at Edenvale and Harrismith have so far been a resounding success.

Since opening earlier this year, Farm to Family has struggled to find enough stock to meet soaring demand. Nevertheless, it has embarked on the expansion trail.

The 500-member organisation has long been a leading lobbyist for deregulation of the red meat industry, dominated for many years by the combined powers of the Meat Board, the State's Abattoir Corp (Abacor), the SA Agricultural Union's Red Meat Producer Organisation, the so-called "big three" meat processors and wholesalers — Vleissentraal, Imperial Cold Storage and Kanhym/



Foodcorp — and major food retail chains.

Now, with deregulation official policy and the privatisation of Abacor on the table, OLP is beginning to spread its wings — by using its competitive ability to source cheaper meat products from rural abattoirs and producers, thus bypassing the processing and slaughter stages that involve expensive agency fees and commissions.

This method also saves on the higher costs of transporting live animals to urban abattoirs, as meat is often brought in prepacked. Consumers, therefore, pay less for their meat, while producers get higher net prices. It is these competitive advantages that have spurred the organisation to launch its own fresh meat outlets.

But Farm to Family may soon challenge major retailers of meat — and of other fresh produce.

"We are now opening a 1 000 m² flagship outlet at Pretoria North, others on the West Rand, Lonehill (Sandton), Pennyville (near Soweto) and Southdale. More will follow soon at Vereeniging, Pretoria South, Bergbron, Boksburg and Carletonville, while other targets for development include Richards Bay, Maritzburg/Durban, East London and Port Elizabeth. We are also looking for a suitable site in Cape Town," says the organisation's chairman, Nils Dittmer.

Nor is Farm to Family confining its attention to red meat. Its outlets plan also to offer fruit and vegetables, milk, eggs, chicken and other fresh produce at reasonable prices.

"While our milk sales have already broken the hold of some milk cartels, we now also plan to retail various fresh fruit juices at about R2,60/*l*, which is at least R1/*l* cheaper than most branded retail fruit juice prices. Farmers are free to join our initiative, which will benefit both producers and consumers." (3) Meat

The Pretoria North outlet will be launched with specials like prime rump and sirloin steak at R14,96/kg (R23,95/kg at some supermarkets), T-bone and club steak at R9,99/kg, all beef roasts at R9,99/kg, half lamb at R9,99/kg, beef mince and "top range" boerewors at R7,99/kg and stewing beef R6,50/kg.

"The organisation's Farm to Family is not a profit-driven initiative, but is aimed at providing acceptable outlets for farmers' quality produce. Our code of conduct states that we aim to meet retail prices with acceptable, quality products — and with credibility as our prime motivator," he adds.

Dittmer says the organisation does not intend setting off price wars, but has already successfully beaten off attempts by major retail groups to undercut its prices.

The organisation is now also developing a Meat for Africa franchise to serve mainly black urban markets. "The Pennyville outlet will be used to train franchisees lacking capital. We also plan to link up with the Soweto Chamber of Commerce to help train aspirant black farmers," says Dittmer.

Are the organisation's initiatives as threatening to the "big three" meat wholesalers and major retail chains as they appear? Its initiative in offering discounted meat is, says Foodcorp CEO Dirk Jacobs, "more sales hype than a solid proposition, built on a sustainable foundation. Consumers would do better to shop around for quality meat at a good price."

Adds Shoprite/Checkers Fresh Meat MD Alan Johnstone: "We sell graded meat, while OLP fare is mostly ungraded. Our prices are low and our quality tops."

Pick 'n Pay joint MD Gareth Ackerman points out that it benefits from the newly deregulated environment — since last year, meat can be freely moved throughout SA, subject only to hygienic restrictions.

"Pick 'n Pay Butcheries has, for some time, been contracting directly with producers for part of our offtake. Prices are pre-negotiated and include quality premiums. Stock is slaughtered at an approved abattoir and bypasses the once-compulsory auction system to the wholesaler, who delivers to the stores. There are fundamental benefits to producers, retailers and consumers in such a system." With the restriction on free movement of meat removed, the control structure is collapsing and "the Meat Board is losing control."

Meat Board GM Pieter Kempen vigorously denies this. The board began walking the deregulation path in 1987, he points out. "It is only Ackerman who, until recently, could not see or realise it. I am glad that he, at last, realises that controls have been lifted."

Kempen says the board has, since last year, been selling its 14 000 t frozen meat stockpile by weekly tenders at all major centres, as well as by special regional promotions as was the case in East London and, recently, Bloemfontein. "Prices are reasonable, with frozen brisket going for R5,13/kg and rump for R13,68/kg."

But, says Renown Fresh Meat MD Roy Smither, "most wholesalers and retailers cater for the fresh meat tastes of their consumers and are not too enthusiastic about buying in the board's frozen stock — unless discounts of (say) 30% are offered to get rid of the stockpile. Alternatively, it could take up to a year for the board to get rid of its stocks."

Johnson says Shoprite/Checkers facilities also cater for fresh and chilled (not frozen) meat. "Rather get rid of the floor price system and offer more fresh meat at cheaper prices. This way we could sell more," he says.

But, responds Kempen, "the Meat Board has no problem with selling its stock. We will, however, do this in a responsible manner without disrupting the market. There is no reason for us to sell at a discount of 30%. Even the trade is picking it up at our reserve price, which covers the cost of stockpiling the meat. The board is, however, evaluating the surplus removal scheme as in the past and if ways and means are found to change the system to a more cost-effective one, and from a frozen to a fresh product, we will do so." ■

Star 23/8/93

Meat Board lowers its levy tariff today

The Meat Board implements a 27 percent reduction from today in the levy tariff. Meat Board general manager Dr Pieter Kempen said the removal of surplus meat was in the interest of the long-term survival of the industry. — Staff Reporter.

(3) Meat

'Always a need to import meat

CT 18/8/95 (3) MEAT

PRETORIA. — Minister of Agriculture Dr Kraai van Niekerk yesterday expressed concern about the cost-squeeze in the meat industry and reports of red meat imports causing problems for local producers.

In a statement issued here, Dr Van Niekerk said imports constituted only about three percent of local consumption.

South Africa had always been a red meat importer and even in times of oversupply there was a need to import certain grades for the manufacturing of canned meat products.

He said it was extremely unlikely that meat imports had any noticeable effect on local auction prices. The stagnation in beef prices appeared more likely to be due to the depressed economy.

"This is borne out by the fact that mutton prices have risen by 16% over a year, in spite of a sixfold increase in imports," he said.

Import tariffs provided adequate protection for the local meat industry. — Sapa

BDay

Boost for farmers

FARMERS received a boost at the weekend with the Meat Board's announcement that abattoir levy tariffs had been reduced by an average of 27,3% 23/8/93

The levy, introduced in July, was reduced to assist farmers further in the poor economic climate, a board statement said. The reduction, which would take effect immediately, applied to cattle, sheep, goats and pigs. (3) Meat

Frozen meat prices slashed

(3) MEAT
CT 23/8/93

Staff Reporter

HUNDREDS of tons of frozen meat are expected to be sold at reduced prices from Wednesday to Saturday in a joint Meat Board-meat traders' promotion in the Western Cape.

Meat Board public relations officer Ms Aurora Kruger said that in the past surplus meat had been exported at a loss. Now the board was trying to sell it locally instead.

The catch, for the ordinary consumer, lies in the minimum quantities one may buy — and one has to have freezer space to take advantage of the offer.

The minimums are 25kg of deboned beef, 15kg of lamb and mutton, and 21kg of pork.

But offer only for bulk buys

The meat, which is not halal, will be available from almost every butcher in the Western Cape, as a large number of butchers here belong to the National Federation of Meat Traders, who have invited all other meat traders to take part in the promotion.

Ms Kruger said the traders could add only R1/kg to the prices at which the Meat Board had sold the frozen meat to them.

More than 400 tons have been taken up by Western Cape meat traders for this week's promotion, the third of its kind countrywide.

The meat involved in the promotion has at some stage been auctioned to the trade, but has not been sold because the "control price" was above what the traders were prepared to pay.

Now it is being sold for marginally more than the control price to the public, through the trade. It is nonetheless expected that members of the public will buy up a lot of meat, because prices vary over time, and because the frozen meat prices are considerably cheaper than fresh meat prices.

Examples of prices are: Blue class pork legs R7,07/kg, lamb super legs R10,49/kg, deboned beef topside R9,12/kg, silverside R9,29/kg and rump R13,68/kg.

NEWS IN BRIEF

B/Day

Manufacturing up

MANUFACTURING production rose a seasonally adjusted 1,6% in June against year-earlier figures, the Central Statistical Service reported yesterday. 24/8/93

Manufacturing production was also 0,05% higher than in the first half of last year. The increase could be attributed to improved production of textiles (up 4,8%), plastic products (6,4%), motor vehicles (3,5%) and in "other manufacturing" industries (14,5%), the CSS said. Electrical machinery and transport equipment industries registered the largest decreases for the period. (280)

B/Day 24/8/93

Decrease in strikes

MID-year strike statistics were markedly lower than last year's, the Manpower Department said in its August Labour Focus. (153)

Between January 1 and June 30 there were 160 strikes, compared with 219 for the same period in 1992. Altogether 19 534 workers went on strike, costing the economy 125 477 mandays and causing a R6,657 084m loss in wages.

B/Day

Protea Chemicals

ABOUT 100 members of the Chemical Workers' Industrial Union (CWIU) embarked on an illegal work stoppage yesterday over wages and disciplinary action on demonstrations against Protea Chemicals' joining the Chemical Industry National Provident Fund, CWIU official Susan Tilley said. 24/8/93

Executive director of the Germiston factory, Tony Wetton, said management was trying to resolve the dispute. (183 1409)

REPORTS: Business Day Reporters, Sapa.

R1bn needed or farmers go bust

B/Day 24/8/93

DIRK VAN EEDEN

PRETORIA — Unless the livestock farming industry received an immediate injection of about R1bn in state aid, 70% of livestock farmers would go bust, Red Meat Producers' Organisation manager Gerhard Schutte said yesterday. (3) Meat

The organisation's economist Fritz de Jager said more than 70% of all livestock farmers owed more than 15% of their capital employed. Under current conditions it was impossible for these farmers to service their loans through farming.

Earlier this month Agriculture Minister Kraai van Niekerk announced an R81m government aid package for livestock farmers in extensive grazing areas to maintain core breeding herds. A further R50m was granted as low interest production loans.

This fell far short of the more than R1bn requested, but the meat organisation understood these subsidies had to come from an already strained national budget, Schutte said.

No statistics were available on livestock farming rentability, but farmers probably earned less than 2,5% profit on capital employed, making it far more profitable to leave capital in an ordinary savings account than to farm, De Jager said.

In real terms, gross income for cattle farmers in 1991 was about the same as in 1975 and had fallen since. However, production inputs had increased dramatically.

US and European livestock farmers received huge subsidies from their governments, making it cheaper for SA to import meat in the short and medium term. But, if current GATT negotiations were implemented, it would not be economically viable for these governments to continue subsidising meat production on the current scale. This would lead to substantially higher meat prices on the international market, making importation a less attractive proposition for SA.

Meat imports would not only have a negative impact on SA's balance of payments, but would also lead to the destabilisation of rural areas, De Jager said.

Airlink announces 10% fare increase

B/Day 24/8/93

STEPHANE BOTHMA

AIRLINK Airline will increase fares on its Johannesburg-Richards Bay route by 10% to R660 from September 1. (359)

Escalating operational costs, including a rise in the fuel price, higher passenger levies at state airports and an increase in air navigational services charges forced the increase, Airlink sales and marketing manager Karin Egly said.

In January, Airlink gave an undertaking to absorb any operational costs on the route for a period of at least six months.

Egly said that now, almost nine months later, the airline faced a situation where it had no option but to pass some of the rising costs on to passengers.

Cut-rate domestic airline on the cards

B/Day 24/8/93

STEPHANE BOTHMA

A CAPE Town businessman has set out to raise R50m from local investors to start a new domestic airline targeted at black and lower income white travellers.

Lionair would offer return fares between Johannesburg and Cape Town at R600, and at R300 between Durban and Johannesburg to compete directly with buses, trains and minibuses, MD Neil Robertson said yesterday.

Advance booking rates on the routes could be as low as R200 return to Cape Town and R100 to Durban.

Robertson said he was in the process of putting investor groups together to raise R50m capital to buy five 164-seater Boeing 727-200 aircraft from the US at R10m each.

Despite the existing excess capacity in the domestic market, with SAA, Flitestar and Comair already serving the two routes, Robertson said he was confident Lionair would be a success. (259)

"Figures we have run — only on a passenger service without any cargo — have showed us that we will have an annual turnover of R300m, of which R200m will be running costs and R100m profit," he said.

He said he intended to keep overheads low by leasing the aircraft to Lionair and by running a "no frills" all-economy seat service.

Robertson, who yesterday officially applied to the Directorate of Civil Aviation for a licence to operate the service, said he could start flying on November 1 if other airlines did not oppose his application to the Licensing Board.

(3) MEAT

Butchers doing brisk business in West Cape

ARG 26/8/93

Staff Reporter

BUTCHERS are doing good business, the Meat Board says, as its Western Cape cut-price meat promotion enters its second day today.

"According to orders received from local butcheries I think it's going pretty well," said Wessie Wessels, head of the board's Surpluses and Shortages department.

And surpluses is what it's all about.

As the drought prevails in vast areas of the country, the Meat Board says it has been forced to buy in thousands of tons of meat at auction-floor prices leading to a 14 000-ton red meat stockpile.

Retailers accuse the board of price-fixing to the detriment of prices and ultimately the consumers.

In Cape Town to oversee the promotion Mr Wessels said he spent most of yesterday keeping track of orders at the Table Bay cold storage depot.

Today, he will trek from butchery to butchery, checking on public response, and that butcheries are indeed sticking to the fixed prices imposed by the board.

He said the butcheries he visited yesterday were doing brisk business and consumers appeared optimistic and happy with the prices.

Cape Town's Meat Board chief Bertie Ackhurst said butcheries had ordered 640 tons of meat so far and most had already been issued to the traders.

● Until Saturday, at about 160 butcheries throughout the Western Cape, top-grade frozen rump and sirloin is available at R13,68 a kilogram while leg of lamb is on offer at R10,49 and leg of pork at R7,07.

Cheap meat bonanza

(3) MEAT CT 25/8/93

Staff Reporter

HALF-PRICE meat will be available to the public from today as meat traders begin to offload over 400 tons of frozen surplus meat at discount prices stipulated by the Meat Board.

The catch is that the discount price only applies to bulk purchases of over 15kg. However, Pick 'n Pay is offering customers a boon by selling the surplus in 5kg prime cuts at about half their usual price.

OK Bazaars said it will also adhere to the discount bulk price and will apportion meat on request at no extra charge.

Woolworths and Shoprite/Checkers will not be involved in the promotion as they do not sell frozen meat.

The promotion starts in the Western Cape today and traders will be able to continue buying up surplus meat until Saturday.

All traders who sell at the Meat Board's stipulated price will only make R1/kg profit.

Board spokeswoman Ms Aurora Kruger said traders recognised it was "a golden opportunity to generate a little profit and a lot of goodwill".

Over 150 traders undertook to abide by the set selling price for the bulk cartons at a recent meeting in Paarl. However, prices will be closely monitored during the promotion, she said.

Report on privatising refused

ARG 27/8/93

(3) MEAT

Abattoir losing R1,5m

CLIVE SAWYER
Municipal Reporter

MAITLAND abattoir is losing R1,5 million a month, Arthur Wienburg told the monthly city council meeting.

This was an example of the council not carrying out its stated policy of privatisation, because a decision was taken four years ago to sell the abattoir, he said.

Councillors voted 20 to five yesterday against a motion by Mr Wienburg asking the executive committee to report on what was being done to privatise council services.

Facing defeat, Mr Wienburg told the Democratic Party caucus the wording of his motion had been taken from DP policy documents, but the DP caucus voted against it.

Mr Wienburg said the council should press ahead with privatisation for the sake of efficiency and to improve its image.

Joye Gibbs said the call for privatisation had come too late.

Leon Markovitz said it would be "folly in the extreme" to support Mr Wienburg's call.

Eulalie Stott said trade unions were not confined to the city council.

Privatisation was not a cure for all ills, she said.

Peter Muller said the council had already decided in principle in favour of privatisation and all Mr Wienburg had asked for was a progress report.

"The DP caucus that has seen fit to oppose this is investigating privatisation of the fresh produce market and the public open space at Clifton.

"The DP is selectively myopic — it chooses to see what it wants to."

Mr Muller said business circles regarded the way the city was run as a joke.

Meat costs more in supermarket

Star 9/9/93

Red meat cuts cost up to 32 percent more in supermarkets than in butcheries, a Consumer Council survey has found.

The 25 meat cuts surveyed were on average 15 percent cheaper at 15 butcheries than in 15 stores of three major chain stores. (3) Meat

The most remarkable price differences were found in the relatively cheaper cuts — chuck, brisket, shin and rib were on average more than 24 percent cheaper in butcheries.

Council executive director Jan Cronje said yesterday the survey proved that meat was often more expensive in supermarkets.

They should bear in mind that the convenience of one-stop buying in a supermarket comes with a price.

"In most cases only top-grade meat was available in supermarket stores and consumers generally expected a choice of grades when buying meat for specific dishes," Cronje said. — Consumer Reporter.

Meat 'cheaper in butcheries'

(3) MEAT CT 8/9/93

Staff Reporter

MEAT is up to a third more expensive at some supermarkets than in butcheries, Consumer Council executive director Mr Jan Cronje disclosed yesterday.

This follows surveys in Cape Town, Durban, Pretoria, Bloemfontein and Vereeniging.

Cheaper cuts

"The 25 meat cuts surveyed were on average 15,1% cheaper at 15 butcheries than in 15 stores of the three major chains in these centres," said Mr Cronje.

"The most remarkable price differences were found among the relatively cheaper meat cuts.

"Chuck, brisket, shin and rib, for example, were on average more than 24% cheaper in the butcheries."

Mr Cronje advised consumers to shop around before buying meat.

Cape Town butchers last night confirmed that their prices were often cheaper than those of the chain stores.

Mr Adam Jaffer, chairman of the Muslim Meat Traders' Association, said that the independent butcheries had lower overheads than the chain stores, were prepared to place a smaller mark-up on meat and could therefore charge less.

Mr A Pohplonker, of Poppies Meat Hyper in Retreat, confirmed that the smaller trader was prepared to put a smaller mark-up on his meat to provide a more competitive price to the public.

He said the advantage that the chain stores had was that they were informed weeks in advance of any specials and could therefore advertise.

"We are often not told of these special deals in advance, as they are, and cannot then advertise in time," he added.

A spokeswoman for one of the major chainstores said last night that meat would be "a bit more expensive" in the supermarkets because they had much higher overheads, including staff and packaging costs, than those of butcheries.

Convenience

It was also important to note that supermarkets provided one-stop convenience shopping, she said.

"If you want to go to the butcher, the baker and the candlestick-maker, that's fine, but at the supermarket you get all these things in one store."

Supermarket meat was generally also of a better quality, she claimed, saying that while there were butchers who provided excellent quality meats there were quite a few who offered meat of a much lower standard.

SA meat probe by EC team

CT 5/11/93
(3) MEAT

PRETORIA. — A European Community delegation has been investigating South African animal hygiene standards in the past week to assess whether local animal products may be exported to the EC.

South Africa has been exporting these products to individual countries within the community, but their individual regulations have prevented South Africa from supplying horse meat, genetic material and fish products.

The EC's Dr Howard Batho and Dr Alf Fussel are looking into the export of these products as EC laws supercede individual countries' laws.

Shop around for meat

MEAT is nearly 32 percent more expensive at supermarkets than at butcheries, Consumer Council executive director Mr Jan Cronje said yesterday. 3 Meat

This follows surveys in Cape Town, Durban, Pretoria, Bloemfontein and Vereeniging. Sowetan 8/9/93

"The 25 meat cuts surveyed were on average 15,1 percent cheaper at 15 butcheries than in 15 stores of the three major chains in these centres," said Cronje. He advised consumers to shop around before buying meat. — *Sapa.*

FM 1/10/93

CHOICE HOLDINGS
FM 1/10/93

Lean times

(3) Meat

Nothing, not even a substantial change in company structure making year-end results academic, can disguise the unpalatable fact that financial 1993 was listed meat processor Choice's fourth successive year of losses.

Chairman John Limberopoulos says: "Surplus stocks of red meat, strong competition, declining volumes and depressed selling prices resulted in a net pre-tax loss of R462 000 against a net profit in the previous year of R90 000."

Activities: *Processes and distributes meat products.*
Control: *Directors 59%.*
Chairman and MD: *I Limberopoulos.*
Capital structure: *10,1m ords. Market capitalisation: R11,1m.*
Share market: *Price: 110c. 12-month high, 110c; low, 15c. Trading volume last quarter nil shares.*

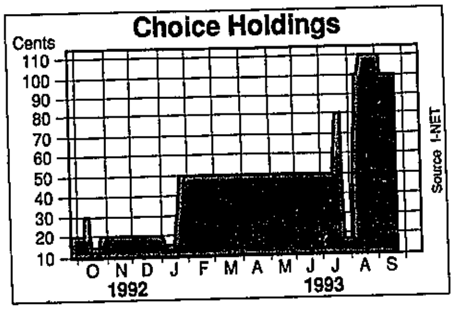
Year to February 28	'90	'91	'92	'93
ST debt (Rm)	1,9	2,2	2,0	4,8
LT debt (Rm)	1,6	2,8	3,3	3,3
Shareholders' interest	0,01	nil	nil	0,08
Int & leasing cover .	nil	nil	1,1	0,44
Return on cap (%) ..	nil	nil	10,4	2,5
Turnover (Rm)	n/d	n/d	27	39
Pre-int profit (Rm) ...	(1,3)	(0,8)	0,9	0,4
Pre-int margin (%) ..	—	—	3,2	0,9
Earnings (c)	(15,4)	(15,0)	(0,72)	(5,46)
Tangible NAV (c)	0,7	—*	—*	6,8

* Negative after deducting goodwill.

Another major factor affecting the results was the introduction of Vat in October 1991. Red meat was previously exempt from GST; most of Choice's butchery outlets are in Bophuthatswana where GST did not exist before the introduction of Vat. To take advantage of this, many more customers, especially those from SA, chose to shop in these retail stores. (3) Meat

This boosted butchery turnover — an advantage which has disappeared. The company's losses over 1993 increased from 0,72c a share to 5,46c largely because the full impact of Vat had to be absorbed.

Meanwhile, turnover increased 45% following the acquisition of 12 retail butchery



outlets within national retail stores. That caused overheads to increase. Limberopoulos expects benefits arising from this expansion this year.

In July, Choice bought a half share in Agrichicks, whose activities include raising day-old chickens and processing of feed. It also disposed of its investment in two wholly owned subsidiaries for R3m and its 50% investment in Mogale Mmabatho Butcheries for R4 000 to a new subsidiary, Choice Investment Corp (*Fox* July 16).

Share suspended

Interim results are due for publication soon. Limberopoulos says Choice should return to profitability at the halfway stage. The share was suspended from end-January to mid-July after Choice failed to provide the JSE timeously with documentation relating to the restructuring.

Since the Agrichick acquisition, the share climbed dramatically from 15c to 110c and then fell to 100c. There is still room for movement.

Kate Rushton

Disease blow to ostrich industry

(3) MEAT

Exports stopped, but meat still being sold in SA

WILLEM STEENKAMP
Weekend Argus Reporter

The controversial, statutory single-channel marketing system in the ostrich industry was scrapped last month, promising farmers a bright new future — but now the industry is staggering after the outbreak of Newcastle disease.

ARG 13.11.93

THE lucrative ostrich industry has been rocked by an outbreak of Newcastle disease.

The international community has banned the import of ostrich meat from South Africa until the birds are declared free of disease.

Chris Coetzee, chairman of the Klein Karoo Agricultural Co-operative (KKAC) in Oudtshoorn, said the outbreak of Newcastle disease — the poultry equivalent of foot-and-mouth disease in cattle — had serious financial implications for ostrich farmers.

Mr Coetzee assured ostrich meat and biltong lovers that the birds' flesh was unaffected and said it was therefore still being sold around the country. However, foreign markets fear that imported products could affect their flocks.

"We have had to ban all exports of meat after an overseas delegation visited the area and insisted we stop exports till the disease has been brought under control. The KKAC reduced slaughtering of birds to 20 percent and only sells the meat inside South Africa.

"We also have innoculated nearly all the birds in our area and we will now have to wait and see if there are any further outbreaks of the disease. We suspect that the disease was transfered to the Oudtshoorn area after infected birds were brought here from the Eastern Cape," said Mr Coetzee.

Last month Agriculture Minister Kraai van Niekerk announced the long-awaited deregulation of the ostrich industry, scrapping the KKAC's monoploly on the sale and export of ostrich products.

Ostrich farmers are now free to sell ostrich products in South Africa, but need special permits to export them.

According to Mr Coetzee not much will change in the industry at Oudtshoorn.

"We export about 90 percent of ostrich products and we have not seen farmers breaking away on their own after deregulation. There may be one or two going this direction, but most of the farmers in this area will still market products through the KKAC."

Mr Coetzee said he welcomed the deregulation.

"In the Eastern Cape and in the Transvaal there are also ostrich farmers and it was in fact impossible for the KKAC to handle all these products."

Deregulation gives Meat Board changed role in export marketing

B/Day 17/12/93

BEATRIX PAYNE

DEREGULATION in the meat industry had redefined the role of the Meat Board from a control board to a consumer marketing body attempting to increase exports, GM Pieter Kempen said in the board's annual report. (3) Meat

Kempen said the board was satisfied with the deregulation, the final steps of which were completed this year. Members of the industry were free to do what they liked as the board would play no role in setting market terms, he said.

The only control mechanism that remained was the voluntary floor price system used by the board to buy meat at a minimum price and stabilise surpluses.

Kempen was confident that the board had an important role to play in promoting the consumption of meat and enhancing its marketing environment.

The report, covering the year to June, said local demand for meat had decreased and per capita consumption of meat had stagnated at 40kg as a result of price increases and VAT.

Chairman Fanie Van Rensburg said because meat imports had been accepted as government policy "we believe that exports are urgently called for to maintain our production and marketing balance".

According to the report SA was a net importer of meat. For the year to June 4 895 tons of beef were imported and 2 360 tons of beef were exported.

Over the same period 6 355 tons of mutton had been imported and only 424 tons had been exported.

Livestock production had been affected by unfavourable rainfall and grazing, Kempen said. Across the country, slaughterings of goats had increased 34,8%, 3,8% for cattle, 2,2% for calves and 1,9% for pigs. Slaughterings of sheep and lamb had dropped by 8,3%.

Production of hides and skins had declined by 5,4% and 17,4% respectively, while prices for skins rose sharply by 61,6% and prices for hides had increased by 9,3%.

During the year under review the board accumulated an overall surplus of red meat and, as a result, had embarked on marketing campaigns to promote sales and reduce stock, Kempen added.

MEAT. — 1994

Govt to publicise tariffs on red meat

LOUISE COOK

TARIFFS on red meat would be published in the Government Gazette after government calls for urgent investigations into tariffs and increases in retail prices of red meat. BDay 17/10/94

The decision came after an instruction from Trade and Industry Minister Trevor Manuel to the Board on Tariffs and Trade to investigate existing tariffs on red meat. The Cabinet this week agreed that the board should look into the increase in the retail price of meat.

Board sources said all existing tariffs on red meat would be published in the Government Gazette "as soon as possible" to give the public and the red meat industry the opportunity to respond.

"Responses and reaction to the published tariffs would form an integral part of any wider investigation," they said. (3) meat

Previous investigations were conducted in October 1993 and in July this year at the request of "certain parties" in the industry. On these occasions adjustments to various tariffs were made. The latest investigation is the first to be ordered by a Minister.

Meat Board MD Pieter Kempen said he welcomed the investigation. "We do not expect major changes to come from it, however, but it is important that the industry is transparent."

Pick 'n Pay spokesman Rob Speedy criticised the investigation, saying that it simply did not go far enough. "By publishing information in the Government Gazette, only institutions and groups like ourselves get to know about it. Small farmers, and especially consumers and small retailers lose out. More publicity is needed — they should contact the Press."

Speedy also said the board, as the final arbitrator on tariffs, should be more broadly representative and should include consumer and other groups.

New-look Meat Board lean on consumer reps

Weekend Argus Reporter

AGRICULTURE Minister Kraai van Niekerk has announced the appointment of a new, multiracial Meat Board — but only two of the new board's 13 members represent consumers. 3 MEAT

The board and its marketing scheme have been at the centre of controversy over high meat prices, with Pick 'n Pay joint managing director Gareth Ackerman blaming the scheme — along with heavy import tariffs — for this year's rapid meat inflation. ARG 24/9/94.

Mr Van Niekerk insisted that "the Meat Board and the meat scheme in their present form can definitely not be held responsible for the current high meat prices". He blamed meat price rises on "droughts over the past years, resulting in a reduction in livestock herds".

Apart from the two consumer representatives, Ms S C Chabeli and Professor J L Weyers, the newly-appointed board comprises six meat producers, three retailers, a feedlot owner and an abattoir owner.

COMPANIES

End to meat tariff abuse urged

LOUISE COOK

THE Red Meat Producers' Organisation has called for an end to the abuse of the tariff system, under which large quantities of seasoned and crumbed mutton have qualified for lower tariffs.

Vice-chairman Jannie Fourie said yesterday the meat was imported under the description of "other cuts" which qualified for import duty of 3c/kg instead of the regular tariff of R1,50/kg. BDay

Fourie said the organisation was planning to identify "persons or organisations" responsible for abuse of the tariff system.

The organisation had also applied for a tariff increase on crumbed mutton, thwarting attempts to import crumbed mutton at 3c/kg. 20/9/94

But Pick 'n Pay said it would approach Trade and Industry Minister Trevor Manuel to reduce import tariffs on further meat cuts. (3) meat

An interim tariff increase of R5/kg (or 50% of total value) on imported crumbed sheep carcasses was being gazetted by the Board on Tariffs and Trade following a producers' organisation request.

Meanwhile, Pick 'n Pay Joint MD Gareth Ackerman said that, according to prices published by the Meat Board, beef, mutton and pork prices increased 30%, 35% and 20% respectively between January and July this year and it would negotiate lower import tariffs on further cuts.

Industry sources said large quantities — about 80 000 carcasses or 1 500 tons — of frozen crumbed mutton were expected to reach SA soon from Australia.

The meat was expected to be sold at normal prices of R15/kg at most supermarkets and butchers after it had possibly been imported as "other cuts" at the reduced tariff of 3c/kg.

Increase in meat duty under review

(3) MEAT

□ Board outlines tariffs policy

ARG 20/9/94

CUSTOMS tariffs for agricultural products are intended to achieve parity between the landed cost of imported products and the local producers' price, says the board on tariffs and trade.

The board's annual report for last year notes that an export-oriented industrial policy will require customs tariffs to be simplified and the number of tariff levels reduced, with the same tariff applicable to products of a similar nature.

The board has made 13 recommendations for the amendment of the Schedules to the Custom and Excise Act of 1964.

It is reviewing an increase in the duty on meat and meat products begun in 1993 after an objection from the Australian ambassador that the increase discriminates against his country.

In accordance with the liberalising approach of the Uruguay round of Gatt negotiations and other objections received from the meat board, the customs duty on meat products is under review.

An investigation of the reduction of customs tariffs on recorded and unrecorded magnetic tapes, broadcasting signals and production of films will be finalised this year. The investigation comes after representations by broadcasters.

An anti-dumping duty on formed wire used to bind books was rescinded after an undertaking from manufacturer James Burn International that it will not sell its wire at a lower price in South Africa than in Britain.

The Housewives' League of South Africa successfully applied for a reduction in the duty on grade B chickens and chicken offal.

This sector of the market has grown at a phenomenal rate because of distressing economic conditions. People who lived in rural areas and kept a few animals have moved to cities and are staying in squatter camps with no food reserve, the report says. — Sapa.

Call for lower meat import tariffs

Star 19/9/94

■ BY ZINGISA MKHUMA
CONSUMER REPORTER

The Committee of Consumer Organisations (CCO) has sent an urgent request to the Board of Tariffs and Trade to reduce tariffs on red meat until local farmers have had time to increase their stocks.

The committee also repeated its urgent call that imports of offal should be allowed into the country duty-free to supply basic protein to poor people who cannot afford to buy meat.

The calls come in the light of recent meat price increases by abattoirs of up to 40 percent.

Housewives' League president Lyn Morris warned in the latest issue of *Rands and Sense* that meat of any kind would soon become a rare treat.

"We know that farmers are not making fortunes from the extreme prices as they have few cattle to slaughter and the price of meat has been remarkably static since the last hiccup in 1991 which was caused by the introduction of 14 percent VAT.

"But we must feed our families. So we have no choice but to turn to imports," she said.

Towards the end of August tariffs were reduced selectively on different cuts and different kinds of meat, she said.

"Naturally there is an outcry from farmers that there will be dumping and they will be ruined. But no tariffs have been removed entirely," she said.

Morris pointed out that the shortage of chicken was almost as severe, due to high feed costs and recurring diseases.

Here too, there have been urgent requests to lower tariffs on imports. However, the SA Poultry Association has strongly objected and the request has been refused.

"There is a desperate need to supply basic protein to the masses of poor and the CCO has now repeated its urgent plea that at least imports of offal should be allowed in, duty-free. South Africa has always been undersupplied with offal and this concession would make little difference to the market overall," Morris said.

(3) Meat

Pick'n Pay, Meat Board clash over soaring prices

(3) MEAT

COLIN DOUGLAS
Weekend Argus Reporter

THE soaring price of meat has led to a war of words between a leading supermarket chain and the Meat Board.

Pick'n Pay joint managing director Gareth Ackerman yesterday hit out at the board's meat marketing system which he blamed, together with high import tariffs, for escalating meat prices.

But Meat Board spokesman Hernst Janowsky hit back, branding as "unfounded" Mr Ackerman's statement about the marketing system and accusing retailers of making excessive profits on meat.

The retail price of mutton leapt 24 per cent in the first six months of the year, while beef rose 17 per cent.

Mr Ackerman demanded that "imports at reasonable tariffs be allowed in order to stabilise prices and keep meat on more consumer plates".

"This will be the subject of discussions with Trade and Industry Minister Trevor Manuel as soon as possible," he said.

Mr Ackerman's group also "believes strongly that it is the marketing system itself which is responsible for imbalances in the meat marketing chain".

Mr Janowsky denied that the board's marketing system was pushing up the price of meat, saying that meat marketing had been fully deregulated since 1992.

And he suggested that a reduction in meat tariffs would simply put extra profits in retailers' pockets without any benefit being passed on to consumers.

ARG 17/9/94

He cited the example of rump steak, which can now be imported at a total cost of R10,90 a kilogram despite a whopping R4,30 a kilogram tariff.

Rump steak typically retails for R25 a kilogram.

He said a loophole in the tariff structure had allowed the import of mutton at a tariff of only 3 cents a kilogram until mid-July, and claimed that the resulting low mutton prices had not been passed on to consumers.

Mr Janowsky offered no comfort to meatlovers: the demand for meat caused farmers to hold back livestock for breeding, resulting in temporary price hikes, he said.

Mr Ackerman warned of "disastrous consequences" if the meat price was not cut soon.

"If meat is priced out of the consumer budget, consumers will predictably seek alternatives — consumption patterns are already showing this trend quite clearly," he said.

He insisted on a reduction in "unrealistically high" import tariffs.

Cabinet orders meat inquiry as prices soar

SI Times (Buss)

16/10/94

(3) Meat

By CIARAN RYAN and DON ROBERTSON

THE Cabinet — under pressure following sharp rises in the price of food — this week ordered an investigation into meat prices.

Rising chicken, meat and vegetable prices are pushing the consumer price index back into double digits.

The Cabinet has asked for the inquiry to include the role import tariffs plays in the price of meat which increased by 54% since August.

Lowering meat import tariffs — as high as 33% on certain cuts and grades — could stem the rise in consumer inflation and offset the knock-on effects on wage demands and price increases in other sectors of the economy.

The Sunnyside Group, which lobbies for appropriate regulation, says tariffs need to be revised. Executive director Chris Daroll says: "They produce little in the way of revenue for government and make food more expensive."

Pick 'n Pay managing director Gareth Ackerman has called on the government to reduce import tariffs, which, in the case of meat, allows domestic meat prices to rise to import parity, and to scrap the Meat Board's floor price scheme.

"Tariffs make it uneconomic for us to import in large volume without passing this cost on, while the floor price scheme artificially protects farmers when prices are low."

He says Pick 'n Pay is importing 30% of its meat, but would import more if tariffs were lower.

The Meat Board says 15% of the country's beef and nearly 50% of mutton is now being imported. Beef slaughterings are 20% lower than last year as farmers restock after the 1991/2 drought. Sheep slaughterings are down a third on 1993.

Meat Board economist Wilbie Venter says beef demand has been boosted by the huge shortage which developed in the poultry market, where disease has slashed supply by up to 400 tons a week.

But despite the shortages, the R3,5-billion a year chicken industry has asked the Board on Tariffs and Trade to increase import duty on deboned chicken by 3 800%. Several meetings have taken place between the Board and the South African Poultry Association since the Government Gazette of June 10 published a proposal by the association that the duty on boneless frozen poultry cuts be increased to R3,13/kg from 8c/kg.

Sapa says its application to the Board has been filed to close a loophole in legislation which allows chicken breasts to be imported as a by-product.

The current duty on whole chickens is R2,25/kg.

In the meantime, the price of chicken continues to rise, although this is partly because of the outbreak of Newcastle disease, which has wiped out as much as 20% of some flocks. The position is now stabilising and egg settings at hatcheries are returning to normal.

However, Sapa's application will also affect duties on the importation of mechanically deboned chicken, says Nigel Harvey of Philno Foods.

At present, about 1 500 tons of chicken pulp is imported at a price of about R3,12/kg. If the association's application is approved, the duty will be more than the actual cost of the product, he says.

Etienne Lotter, a partner of Etlin International Trading, which imports about 300 tons of chicken a month, says that even with large imports there is a shortage of about 500 tons of chicken breasts each month, used by fast food outlets such as Kentucky Fried Chicken and Nando's.

The Organisation of Livestock Producers says one of the causes of the meat price rise is the Meat Board's interference in market forces for the current shortage.

"Rebuilding herds is a three-and-a-half-year cycle," says OLP president, Naudé Bremer. "The Meat Board likes to play big daddy but when something goes wrong they blame God, nature or the drought. Their statistics are in a shambles and this makes it very difficult for farmers to plan correctly.

"Any interference in free-market forces, such as the floor price scheme, distorts supply and demand. The floor price scheme encourages inefficient farmers to produce meat. Prices have risen way above the floor price but we are still left with this legacy from the days of low meat prices when the floor price scheme was in operation.

"If domestic meat prices are above world prices, there should be no tariffs, but we do not want to see dumped meat here because this would destroy the local producer base."

Mr Bremer says meat producers are deserting their farms and putting thousands of farm labourers out of work because of the now-disbanded quota system which prevented farmers from freely slaughtering cattle. This forced them to raise loans to keep cattle alive, making beef production uneconomic.

Destocking occured during the drought because of the high cost of feeding animals and the crippling burden of interest on farm loans. "Instead of exporting maize, subsidised by the consumer, we should be using the surplus to lower the price of feedstock to local farmers."

Estimates of the current size of the national beef herd vary from 6,4-million to 8,06-million, a difference of 25%. Estimates are based on the last livestock census in 1983.

Meat shortage to continue

EDWARD WEST and LOUISE COOK BDay

CAPE TOWN — There would be a shortage of locally produced meat for at least another year, the National Red Meat Producers' Organisation warned last week.

Spokesman Gerhard Schutte said the shortage stemmed from farmers restocking after the drought, and that retailers would have to import to cover the shortfall.

The retail and catering industry warned that this would force prices further upwards, and that import tariffs should be cut still further. 12/9/94

Pick'n Pay has called on Trade and Industry Minister Trevor Manuel to cut tariffs, while the Catering, Tea-room and Restaurant Association plans to appeal to the Board on Tariffs and Trade. (3) Meat

Meat Board has freed the market

S/Times (Buss)

21/8/94

By PIETER KEMPEN

SINCE 1992 the Meat Board has scaled down its involvement in the red meat industry to such a degree that the red meat market has never been as free as it is today.

This is certainly not the impression created by recent articles in Business Times which paint a picture of a tyrannical bureaucracy which has outlived its purpose and is out of step with the climate of change in South Africa.

(3) Meat

Nothing could be further from the truth.

The only statutory regulations that remain are certain levies (the levy to maintain the surplus removal scheme was deferred in September last year), the floor price system, and the obligation on roleplayers to submit statistics. These regulations are supported and endorsed by the majority of meat producers and the trade.

The levies are applied to maintain the functions of the Meat Board, which are determined together with key roleplayers in the industry. Contrary to the impression created in Business Times (Meat Board suffers another bloody nose, August 7), no livestock or assets have ever been seized by the Meat Board for non-payment of levies by farmers.

The Meat Board is content to put its statutory existence to the test. It has come a long way in accommodating a changing market environment and adjusting to a new political and sociological dispensation.

I am confident the Meat Board — even if it happens to be in a different shape — is vital to the prosperity, not only of the red meat industry in our country, but agriculture as a whole.

The purpose of the Meat Board is to provide market information, animal advisory services, production research, training, operate the National Pig Health Scheme, promote consumption of red meat and improve the availability of red meat to the poor. The board also operates the surplus removal scheme, oversees meat classification for the benefit of consumers and provides market support to importers and exporters of meat.

An area of major concern to the board is the market development and upliftment in the informal sector. We are striving to make red meat part of the staple diet of the developing population so as to reduce the risk of iron deficiency and growth retardation in young children.

The Meat Board strives towards minimum health standards.

These requirements should be based on real issues such as handling of the product, basic hygienic requirements and minimum sanitary conditions.

The control and maintenance of these standards are not the responsibility of the Meat Board, but the directorate veterinary health at the Department of Agriculture.

The board has developed a business strategy to expand its income-generating business units.

Meat classification, for example, is a service that is offered to the meat industry, the hygiene inspection service is another. These units are self-supporting and render a service to the industry.

As part of the Meat Board's affirmative action initiative, it provides training in meat handling, meat preservation, meat processing and elementary business skill. In collaboration with the National Stokvel Association of South Africa, the board is investigating market needs in the informal sector and rural areas.

An ongoing programme of visiting butchers and the informal trade, including bush-slaughter enterprises, has been implemented for some time.

Pieter Kempen is general manager of the Meat Board.

CT 9/9/94

Meat prices: Row escalates

(3) MEAT

By MAGGIE ROWLEY

IN the growing wrangle over rocketing meat prices, a Stanford livestock farmer and agricultural economist yesterday accused wholesalers and retailers of "also pushing up their price margins".

Mr John Nel was hitting back at Pick 'n Pay joint managing director Mr Gareth Ackerman's charge earlier this week that the 40% increase in meat prices in recent months was due to farmers "taking too much profit".

He challenged Mr Ackerman to a public debate on the issue.

Mr Nel said that while farmers were getting good prices at the moment, they were still only getting 40c in the consumer's rand.

"This means that middlemen — wholesalers and retailers — have also pushed up their margins."

Farmers, he said, were currently getting around R11,30/kg for sheep carcasses at the municipal abattoir — nearly 40% higher than the average R8,30 paid in March.

"However, from this about 14% is deducted in fees and levies by the abattoir, which leaves the farmer roughly R9,70 in his pocket before he then has to cover his own overheads.

"What I want to know is why, if wholesalers and retailers are buying meat at around R11,30 at auction, the price has gone up so much to the consumer who is now paying anything up to R30/kg for prime cuts."

Mr Ackerman denied retailers were pushing up profit margins.

"Prices have risen because all input costs, and that includes the price of meat paid to the farmer, have risen," he said.

● Agricultural experts warned yesterday that consumers could expect vegetable prices to remain at present high levels for at least another two months, reports WILLEM STEENKAMP.

They and consumer bodies said vegetable prices were seasonal and usually rose at this time of year, but this year's prices had been influenced strongly by crop failures in the Transvaal.

● Restaurants are absorbing losses due to the increases and are hoping prices drop again so they don't have to raise menu prices, Restaurant Guild spokesman Mr Aldo Girolo said yesterday.

Cheap meat imports slammed

BDay 1/9/94

LOUISE COOK

MOVES by the state to tolerate dumping or mass imports of cheap red meat "to feed the masses" would ruin the local industry, Red Meat Producers' Organisation chairman Gerhard Brönn said recently.

He said the organisation, which represented all SA stock farmers, had approached the Board on Tariffs and Trade about alleged secret plans aiming to reduce or scrap tariffs on imports of certain categories of red meat.

Loopholes in the import tariff system were allowing cheap meat imports into the country. Tariffs on some meat products brought into the country were only a few cents a kilogram, because the meat supposedly had been processed.

In this way high tariffs of R5/kg normally applicable to imported meat were evaded, Brönn said.

Board chief director Aalwyn Kraamwinkel denied tariffs on red meat would be changed "without the consent of all concerned." Applications for changed tariffs first had to be gazetted. Since the lowering of the tariff on deboned forequarters last month, no other applications for red meat tariff adjustments had been received.

Brönn said the board had not responded to his organisation's inquiry and condemned state intervention without consultation with producers.

Brönn said despite the fact that red meat prices had risen about 50% since 1993, the import tariff had been negotiated between producers and traders and about R9,60/kg for beef, the current going rate, was a realistic price.

He said reducing or abolishing tariffs would affect Customs Union countries such as Namibia, Botswana and Lesotho.

(3) meat

Free trade in red meat existed between these countries and SA.

Traders' slaughter threat

DURBAN. — The United Meat Traders Association yesterday threatened to slaughter sheep in front of government offices unless the Abakor abattoir in Cato Ridge was re-opened. The abattoir was closed over a labour dispute. Traders want the government to resume control of all the country's abattoirs, saying they fear a collapse in the industry. (3) MEAT CT 1/9/94

Cheap imported meat: Board aims to close legal loophole

□ Urgent application to tariffs body for duty to be raised to R5/kg

③ MEAT AUG 27/9/94

ANDREA WEISS
Staff Reporter

THE Meat Board wants to close a loophole in existing legislation which allows the importing of cheap meat.

The board has made an urgent application to the Board on Tariffs and Trade to raise the rate of duty on prepared or preserved meat, offal or blood from 3c/kg to R5/kg.

Last month, the board made the same application for meat which had been spiced.

Both rulings would affect mainly Australian mutton which now makes up about 40 percent of mutton being sold in South Africa due to an acute shortage of slaughter animals following the drought.

Importers have been using loopholes in the legislation to bring in the cheaper meat, for which they would normally be required to pay duty of R1,75/kg.

There is no agreement on whether the move would benefit the hard-pressed consumer.

Mrs Lyn Morris of the Housewive's League favours a relaxation of duties only in the short-term while farmers restock their herds to pre-drought levels.

She says, however, a drop in duties would have to be passed on to the consumer.

Her information was that herds of pork and mutton would be back to normal only by the middle of next year, and beef by the end of next year.

If tariffs were dropped, they would have to be reviewed in six months to protect South African agriculture and to guard against the dumping of meat surpluses from other countries.

"If we kill off our farmers we are in trouble because then we are in the hands of the importers."

Meat Board spokesman Ernst Janowski said the application to the Board on Tariffs and Trade was aimed at curtailing the operations of importers who were trying to manipulate the product.

He said 1 800 tons of Australian mutton had been imported as "spiced meat" attracting no extra duty before the July ruling which put a R5/kg duty on this kind of product.

This was contrary to the spirit of an agreement by the consensus committee made up of representatives from the industry which agreed on a R1,75/kg duty on imported meat last November.

Mr Janowski said South African farmers would not be able to compete against large-scale dumping of surplus meat from countries where farmers were being subsidised by their governments to get rid of it.

He also questioned whether savings on imported meat were passed on to the consumer.

Cheaper meat is on the cards as tariffs are cut

SI Times 21/8/94

By GWEN GILL

CHEAPER meat is on its way to South African tables.

Shiploads of Australian mutton are docking, and an announcement that the import tariff on processed meat used in sausages and mince has been reduced from R3,50 to R1,75/kg will come this week.

A tariff reduction on superior meat cuts is also on the cards. This could mean substantial drops in the price of favourite cuts such as steak and chops.

A spokesman for Trade and Industry Minister Trevor Manuel's office said yesterday that an investigation into reducing import tariffs on beef and lamb was being made by the Board on Tariffs and Trade. It is not known if chicken import tariffs are being looked at.

"Although the board will make the import tariff decision, it is likely to be in keeping with the minister's known desire to reduce preferential tariffs."

The news of cheaper meat comes as consumers pay their highest prices ever for meat — 30-40 percent up on last year — and retailers say they could rise another 20 percent by the end of the year.

(3) Meat

The shortages causing the high prices have come through drought and disease.

There are no restrictions on meat imports except on hygiene grounds, but high duties have made it impossible to bring in meat and sell it at less than local prices.

Present tariffs are R3,50-R5/kg on beef, depending on the cut, R3,70/kg on lamb and R2,25/kg on chicken. Industry experts say meat could come down by 40 percent if these tariffs were scrapped.

Supermarkets have been clamouring for import duties to be brought down until local farmers have built up their herds again.

Executives were concerned earlier this week that the Department of Trade and Industry has not responded to pleas to reduce or do away with tariffs.

OK Bazaar food merchandise director Peter Dodson said: "A petition sent to Mr Manuel in June has brought nothing but an acknowledgement that our request has been received."

Pick 'n Pay joint managing director Gareth Ackerman said he had been calling for a drop in import duties for years and asked for them again recently.

Powerful meat traders, including the Renown/Enterprise group and the National Federation of Meat Traders' representative on the Meat Board, Frikkie Bester, this week added their support for a temporary tariff drop until meat and chicken producers are back on their feet.

It's estimated that the beef industry will take three years to recover, with sheep farmers needing half that time.

Although butchers and consumers will be jubilant that the cuts we love may soon be imported, bringing prices down, farmers are angry.

Mr Gerard Bronn, chairman of the Red Meat Producers Association, said it would be a "disaster for farmers", who have recently been enjoying their first price increase for five years.

"We supported the traders on the processed meat tariffs, but this would be like a drowning man coming up for air and being pushed under again," he said from his farm on the Botswana border.

"I can't believe they'll make a decision like this without consulting us."

Consumers could see the cheaper frozen mutton in the shops as early as next week.

Some is here already and a further 4 000 tons will dock within a month. Renown's Bob Papendorf said it would sell at about R15-R16/kg, compared to the present R18,95, though there could be cheaper specials.

A spokesman for the SA Poultry Association strongly opposed the dropping of tariffs on chicken imports, despite a severe local shortage.

"It would kill us and put 25 000 people out of work. If chicken prices get too high we'll take responsible action to make sure the consumer is supplied."

He would not say what "responsible action" the association had in mind.

SUNDAY TIMES CAPE METRO, 14 August 1994

Soaring food costs set to produce belly-ache

(3) Meat

By GRAHAM LIZAMORE

CONSUMERS, already reeling in the face of the five percent transitional levy, can now also expect to be hit where it hurts most — in the belly — with chicken and vegetable prices set to soar.

Cape Town food retail outlets and restaurant owners have expressed fears that huge price increases can be expected in almost all farm products, including meat and vegetables, before the end of the year.

There has been a huge demand for chicken since the begining of the year when meat prices rocketed by as much as 40 percent.

In spite of tons of imported chicken being unloaded at Cape Town and Durban docks, this has not been enough to make up shortages resulting from a disease-hit chicken industry unable to keep up with demand.

According to the Monthly Abstract of Trade Statistics, more than R36-million worth of chicken was imported between January and May this year, compared with R22-million for the same period last year.

But this has not helped to keep prices down, says Pick n Pay's general manager of perishables, Mr Raymond Murray, who predicts a 15 to 20 percent increase in the price of chicken before the end of the year.

He said French and American chickens as well as turkeys could soon be on supermarket shelves.

A spokesman for the Meat Board said the two successive years of drought had caused major problems in the meat industry. Because there had been a shortage of beef, prices had risen, forcing consumers, caught in a spiral of general price increases to buy mutton and poultry.

"Livestock farmers have to rebuild their herds after the drought, so less stock is being slaughtered," he explained.

City restaurateurs are also staggering under price increases which have hit their trade.

Mr Ian Halfon of St Elmo's said prices were rocketing.

"There is no doubt about it — we are being hit by a lot of price increases. First it was meat and poultry, and now we are expecting dairy products and oil prices to rocket."

He said food and vegetable prices, including green peppers and potatoes, were also expected to soar.

"We anticipate major increases across the board before the end of the year. We are very concerned," Mr Halfon said.

Fears of rising costs were also expressed by the buyer for Nino's, Ms Jeanine Humphreys, who said it had become very difficult to get cheese and mushrooms at good prices, while the price of bacon had also rocketed.

RED MEAT

FM 19/8/94

Cheaper meat hits Namibia hurdle

(3) meat

Namibia is trying to scupper SA plans to import cheap meat. The Namibian Meat Board is opposing an application by its SA counterpart for a 50% tariff rebate on imported factory meat, used in sausages, hamburgers, polony and other products, because this would damage its own exports to SA.

It also casts doubt on who will benefit from cheaper meat and suggests savings will benefit the local industry rather than consumers.

The SA Meat Board has asked the Board on Tariffs & Trade for the rebate to counter a shortage of local meat. Namibia's intervention is because, under the SA Customs Union, whatever tariffs (or rebates) are decided by SA also affect union partners Namibia, Botswana, Lesotho and Swaziland.

Namibia and Botswana, big suppliers to SA's R10bn/year red meat market, feel threatened by cheaper imports from outside the union.

"SA's meat processing industry already gets a full duty rebate on imported canned meat products. If it now gets 50% off the duty on factory meat it will push us out of our biggest market for this product," says Namibian Meat Board GM Hendri Immelman. Imperial Cold Storage CE Roy Smither says the rebate would help restrain future price increases.

Immelman adds that the rebate arrangement will last until the end of the year when the new Gatt tariff arrangement starts. He believes that is why SA's meat lobby is fighting so hard for a rebate. "The SA industry can hugely increase their profits on cheaper imported meat. I doubt if your consumers will see much benefit from the cheaper imports sought."

Behind the trade fight between the two boards is a savage two-year drought which led to a mass sell-off of cattle and sheep; last summer's good rains, which encouraged farmers to hold stock to rebuild herds; and deregulation of the red meat industry which allowed the free movement of meat throughout SA and competitive slaughters at country abattoirs.

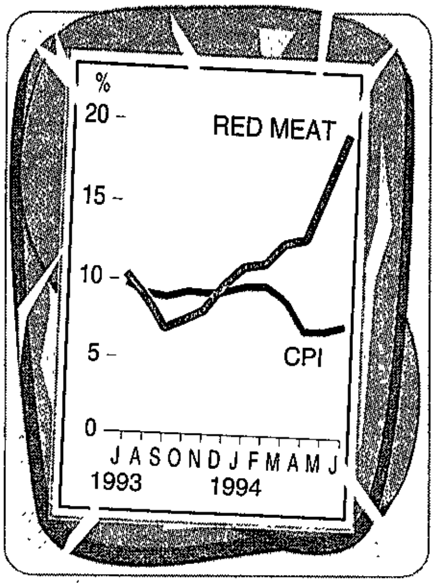
The Meat Board used to regulate and administer the slaughter and marketing of red meat in controlled urban markets. Forward buying arrangements with producers, free movement of meat from outlying areas and the free trade in red meat are now legal.

Vleissentraal CE Jan Lombard estimates that forward buying arrangements now constitute about 15% of total red meat trade. The State-owned Abattoir Corp (Abacor), which still owns most urban abattoirs, slaughters less than 50% of volumes of a mere four months ago, says Lombard. Pick 'n Pay's Rob Speedie estimates that the national auction system now accounts for only about 20% of total red meat slaughter.

As a result, farmers are wholesaling their mutton at prices 61% higher than last year's, beef at 49% and pork at 33%. Other winners are wholesalers and retailers, who contracted forward sales at lower prices, and country abattoirs which have siphoned off a large portion of the lucrative slaughter business formerly dominated by Abacor.

Faced with the dramatic fall in meat volumes through formerly controlled markets,

RED MEAT PRICE INFLATION



processors, feedlotters, wholesalers, retailers and producers this year formed a committee to ask government to reduce tariffs on some grades of meat and a rebate on tariffs for factory meat.

On July 19, new tariffs were published by the Department of Trade & Industry, but without the 50% rebate on factory meat. The SA industry immediately accused Namibia and Botswana of using their combined clout through the SA Customs Union to stop the rebate.

Immelman says the industry overreacted. "Nobody in SA can tell us exactly how big the current factory meat shortfall is." He adds that Namibia will this year send about 196 000 cattle to SA, compared with 180 000 last year, while almost 92 000 more sheep have been sent to SA markets so far this year.

SA Meat Board GM Pieter Kempen says his board has "no supplies of factory meat and Namibia and Botswana cannot hope to meet our needs." He hopes the rebate request will be granted "within the next week or two."

Department of Agriculture chief marketing director Attie Swart isn't so sure. "Temporary rebates tend to create back-door opportunities for abuse by importers. Our policy is rather to discuss the reduction of tariffs. In any case, the investigation into the rebate issue by the Board on Tariffs & Trade still has to be finalised," he says.

Naudé Bremer, chairman of the independent Organisation of Livestock Producers, says the Meat Board's support for a tariff rebate is linked to its close ties to Vleissentraal and Abacor which are suffering in the more competitive market.

"We are in a normal beef production cycle and farmers should be allowed to benefit from price increases," he says. Pick 'n Pay's Speedie confirms factory meat stock is available — if you are prepared to pay the high prices.

He supports reduced tariffs as this would benefit consumers.

Shoprite/Checkers fresh meat MD Allan Johnson says there is a "tremendous shortage" of beef, with fresh carcass prices moving from R6,96/kg in March to R9,50/kg-R10,50/kg now.

Eastern Cape Meat Traders' Association chairman Dennis Meyer says authorities should react faster to industry requests to raise or lower tariffs.

Board on Tariffs & Trade chairman Nic Swart, however, in a letter to the Meat Board's Kempen, notes: "The fact you have reached consensus with certain meat interests does not mean the board can grant such a request without any investigation. Other parties and interests exist which were not part of your consensus decision and, accordingly, the application must be published in order to give everyone an opportunity to comment." ■

AIRLINES

Airlink backs down

Airlink, the independent domestic airline, appears to be the loser in a head-to-head confrontation with SA Express, which has ties with SA Airways and the ANC.

A price-cutting war on internal routes has ended with Airlink — lacking the financial backing of SA Express — cutting the size of its aircraft and becoming a virtual feeder service for its rival.

In theory, Airlink has formed an "alliance" with SA Express, which was created through investments by SAA, ANC-aligned

Push for probe into meat prices

B/Day 18/8/94

LOUISE COOK

THE Consumer Council, retailers and the catering industry are pushing Agriculture Minister Kraai van Niekerk to investigate the recent surge in red meat prices.

SA Catering, Restaurant and Tearoom Association acting chairman Costa Paizes has appealed to Van Niekerk and the Board on Tariffs and Trade to appoint a commission to investigate reasons for red meat price increases and to look into the possibility of cheaper imports.

The appeal followed a survey by the association which showed red meat prices had increased more than 40%.

Paizes warned that businesses would have to cut back on staff or close down.

He blamed farmers for creating artificial shortages by holding back livestock to push up prices.

Consumer Council chairman Prof Leon Weyers strongly supported such an investigation. He said the whole meat industry would suffer in the long term because of increased consumer resistance.

Board on Tariffs and Trade chief director Alwyn Kraamwinkel said an investigation into dropping the tariff on imported processed meat had reached an advanced stage. Meanwhile, Sapa reports the Free State Red Meat Producers' Organisation has voiced dissatisfaction with the "misrepresentation of the meat industry" in a TV programme on Tuesday, which emphasised rocketing prices and said the meat industry "was in a mess". Chairman Piet van Zyl denied the allegations.

3 Meat

Warning of 14% red meat price rise

LOUISE COOK

SOARING red meat prices would lead to massive consumer resistance, industry sources warned at the weekend.

Red Meat Producers' Organisation chief economist Ernst Janovsky said a 14% rise in the price of beef could be on the cards. BDay 8/8/94

"Consumers are going to be knocked hard. Beef imports from the EC can only be expected from March next year. At this stage beef is not being imported."

Consumer Council spokesman Paul Roos said the increases were "alarming". He advised consumers to revise their budgets and go for cheaper cuts.

But he said the council was not altogether in favour of cheaper imported meat, and warned against dumping and damage to local markets.

Janovsky said rural communities were benefiting from the improved conditions being experienced. "Meat producers are positive and expansion is taking place in rural communities which are 90% driven by farming." (3) Meat

But he said mutton prices were being depressed by 300 tons to 400 tons of mutton which had entered the market from Australia.

Red Meat Producers' Organisation CE Gerhard Schutte said farmers were benefiting from the up cycle, but added they were still getting less for their product than five years ago. Cattle and sheep farmers were scoring equally.

Meanwhile, stock farmers last month received R3,5m from the Agriculture Department in drought aid. Department deputy director Dirk Valentine said the overall number of stock farmers receiving aid had dropped to 900 during the past year because of improved conditions.

But no fewer than 10 100 stock farmers would qualify for drought relief should conditions deteriorate and any areas become critically dry.

He said a special scheme to assist farmers who had reduced their stock while awaiting improved grazing conditions had also been introduced.

Farmers had to keep the department up to date about changing stock numbers before they qualified for state drought relief.

Cape beef 'not horse'

CT 8/8/94 (3) MEAT

Staff Reporter

CAPE food sellers are confident that local consumers of pies and biltong are being sold real beef and not horse meat.

They were reacting to shock findings of horse meat in these foods in the PWV, which have led to the launch of a full-scale investigation by the Meat Board.

This meat fraud came to light at last week's Community Health Association of Southern Africa conference, where research conducted by the Onderstepoort Veterinary Institute found three-quarters of the biltong and half the pies tested in one month contained horse meat.

None of the samples tested came from the Cape.

According to Mr Jonathan Ackerman, manager of Bellville Pick 'n Pay, this group of supermarkets has not experienced any such cases involving horse meat in their pies or biltong.

"We carry out stringent checks on our suppliers but obviously it is something we will double check on," he said.

Manager of Milly's Stores in Gardens, Mr Greg van Niekerk, said the store dealt with reputable pie and biltong suppliers and "we have never had any complaints or problems" regarding such a meat fraud.

Dr Werner Giesecke, manager of the food hygiene division at Onderstepoort, said Cape food sellers had not made use of the institute up until now.

Researchers have warned that people eating meat from old race horses could be exposed to steroids and pesticides.

Local meat to cost more

Municipal Reporter

(3) MEAT

CONSUMERS are likely to have to pay about 7c a kilogram more for red meat slaughtered at the Maitland abattoir — ironically as a result of a plan to slash slaughter tariffs there by about 31%.

Abattoir director Dr Walter van Heerden yesterday explained the two different types of fees that the abattoir charges.

A drop in the slaughter fee paid by farmers meant that the trade tariff paid by the meat wholesaler and eventually passed on to the consumer, would intitially have to be increased to make up the shortfall, he said.

In effect, a small portion of costs were being taken off farmers and passed on to consumers.

Yet if the plan worked, the lower slaughter fees should attract a lot more business. Then "we will look at reducing the trade tariff", he said.

Dr Van Heerden said the plan to lower slaughter tariffs had originated from the management of the abattoir, "in my office", and the unions had taken up the plan and presented it to the council.

New Meat Board to operate from September

Staff Reporter (3) MEAT ARG 14/7/94

RESTRUCTURING of the Meat Board has been postponed by two months to give nominating bodies the chance to nominate people who will lend the broadest possible representation to the board.

The new Meat Board will now operate from September 1.

It will be made up of the following: seven people representing producers of slaughter stock; two representing butchers; one representing abattoir owners; one representing hide and skin dealers; and two representing consumers of meat and offal.

VLEISSENTRAAL

FM 18/2/94

Beefing up growth through JSE

Giant meat group Vleissentraal has decided to forgo the peace and comfort provided by the Co-operative Act and join the fray inside the Johannesburg Stock Exchange bullring.

In the process, a major new player in the food processing and processed leather industry sectors has been born, and looks set to make waves.

As part of a major restructuring exercise, the R3bn/year co-operative has transformed itself into a holding company (Vleissentraal Beherend), with three major divisions — co-operative, feedlots (known as Oskor) and a R1,5bn/year industrial holding company, Kolosus, which will be listed on the JSE.

Kolosus MD Tito Vorster says the consolidated industrial holding group will exclude Vleissentraal's agency and feedlot activities but include its fresh meat, meat processing and abattoir, as well as all its hide tanning and fellmongery (dealing in sheepskins) operations. Brand names in the group (not all are 100% affiliates) include Spekenam, Bull Brand, Supreme, Kovisco, Gants (meat division) and the Sams fresh meat retailing division.

Kolosus will have three major divisions — the R320m/year Leather Resources division, all set to increase the range and quality of its leather products; the R800m/year Food Technology division, which will focus on market growth in the rural market, and go into partnership with black entrepreneurs; and the R290m/year Brand Investments (which currently includes Bull Brand and the Gants meat division), the Kolosus arm that will concentrate on mergers and acquisitions.

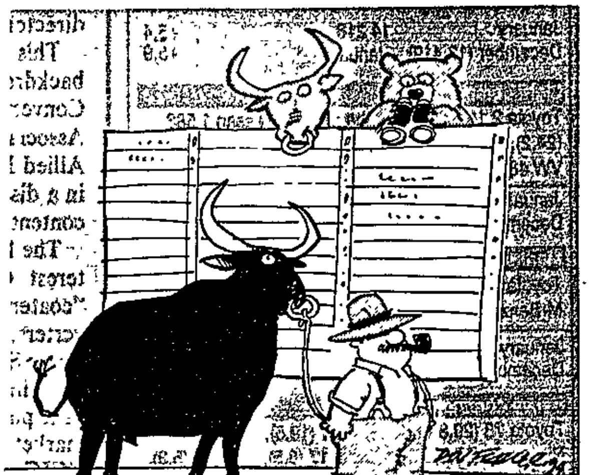
"We will look for synergistic opportunities. Various discussions are under way and we expect to announce important strategic alliances in the current financial year," says Vorster.

He says Kolosus is looking for about R180m to expand its food-processing and value-adding activities, especially in the hides and skins areas. About 45% of the shares in the new company will be sold to the public and the capital used to finance downstream expansion. But Vorster does not expect the Kolosus listing to occur in the group's current financial year (ending May 31) — or at any time during 1994. "I expect us to go for a listing in 1995 — as soon as the investment climate is right."

In going the listing route, Vleissentraal will follow in the footsteps of the Langeberg fruit canning co-operative. Since selling off half its shares to the Tiger group, Langeberg has prospered greatly, multiplying values for its shareholders, half of whom, originally, were farmers. (3) Meat

By adding value to its core food activities, Vleissentraal's Kolosus would follow another good example — Foodcorp. Under the leadership of late CEO Dirk Jacobs, the former loss-making Kanhym was turned into a highly profitable, value-adding food processing group.

Currently, Vleissentraal affiliate Fellmongers Export Co exports most of its high-quality, semi-processed pickled pelts (sheep skins) to leather garment manufacturers in Europe, the Middle East, the Far East and the US. By going further downstream, turnover of Kolosus's Western Tanning and King Tanning operations, which cover the automotive, shoe and furniture industry markets,



will be increased.

Vorster is confident of getting the equity capital to finance the expansion. "Our capital worth of about R380m and net profit of R32m in the financial year to May, 1993 provide a sound base on which we will build."

The Co-operative Act does not allow raising equity capital — only for borrowing funds from members, commercial banks or the Land Bank. Fortunately, a recent amendment to the Act now allows co-operatives to register themselves as public companies — and thereby to go for a listing.

Vleissentraal, a so-called central co-operative, is owned directly by 34 active primary co-operatives and does not have to get a majority "yes" vote from thousands of farmer members for its incorporation and public listing.

Given the rise Langeberg's farmer members have enjoyed in their share's value since its listing, most Vleissentraal farmer shareholders (through their stakes in the primary co-operatives) should be happy with the proposed listing move. Once involved with the JSE, they may well become more familiar with JSE bulls than those of the four-legged variety. ■

MOTOR INDUSTRY — FM 18/2/94

Warnings from Oz

Australia's motor industry plan, on which SA looks like basing its own industry's long-term strategy, has cost about 20 000 jobs among car and components manufacturers, say analysts there. And worse may be to come.

Government and industry are divided on the success of the plan so far. Government officials say the industry is taking on the internationally competitive shape the nine-year-old plan was intended to achieve. They argue that the number of manufacturers is down to realistic levels and that a sharp reduction in the number of locally built car models is creating high-volume, cost-effective manufacturing.

The motor industry itself — or what is left of it — doesn't dispute the need to achieve world competitiveness. But there are questions about whether the potential long-term gains are worth the intense short-term pain.

The answers are of great interest to the SA motor industry, which is awaiting details of an intended long-term programme. A government-appointed industry task group is putting finishing touches to proposals which are due to be presented soon to Trade & Industry Minister Derek Keys.

The group started work in October 1992, acting on broad guidelines laid down by Keys. These included the need to reduce the number of locally built car models, to make them more affordable, protect the balance of payments and encourage employment growth.

In most respects, these are akin to the targets of the Australian plan when it was implemented in 1985. Naturally, there are differences but fundamental similarities between the two countries — the size of the markets and an overabundance of manufacturers and car models — made Australia's experience a natural model on which to base the SA industry's blueprint.

Last week's announcement by Ford Australia, that it is to stop local production of the Laser and Capri ranges and close its Sydney assembly plant, suggests that even after nine years the motor industry there is still coming to terms with the government's plan.

The Sydney shutdown, scheduled for September, will cost 400 jobs. Most workers on

Meat futures mooted

Red meat futures market could provide an example to other commodities

ARG 22/1/94

(3) MEAT

■ Being able to ascertain the future price of red meat could facilitate planning and production decisions.

ALIDE DASNOIS
Business Staff

THE creation of a futures market in red meat will be a step closer when the South African Futures Exchange (SAFEX) formally launches its plan at a Southern African Commodities Conference in March.

Delegates to the conference, the first of its kind on a regional basis, will be able to take part in the prospectus for the country's first commodities futures exchange.

Chief executive Stuart Rees said he hoped the red meat futures market would provide an example for other commodity markets. The Meat Board had approved the idea and the market should interest both traders in meat futures and those who hoped to trade in futures contracts on other commodities, such as metals, grains, oilseeds, sugar, wool and potatoes.

Proposals for the exchange would be announced at the conference in March, after consultation with all the main players in the red meat industry including retailers, wholesalers, feedlotters, butchers, abattoirs, bankers and livestock agents.

SAFEX consultant John Wixley said the trend was away from single channel marketing systems for commodities towards free-market alternatives. A successful commodities exchange had already been created in Zimbabwe.

The futures market would not replace physical delivery of meat. The Meat Board would still play an important role by providing information, grading and marketing services for the underlying cash market in meat.

But farmers would be able to use the futures market to reduce risks.

A red meat futures market would provide feedlotters, wholesalers and other participants with the chance to sell and buy specified quantities of red meat — of standardised quality — for delivery at a specified future date.

It would also provide a centralised marketplace, enabling farmers to see at any moment the best buying and selling prices for delivery in three, six and 12 months' time.

Mr Wixley said trade is increasingly moving away from the Abakor auctions and is not being reflected in published prices.

By hedging — taking opposite positions in the futures and the cash market — farmers could offset price changes in one market by similar changes in the other.

Cattle farmers who hedged their cattle at prices above costs could "lock in" a feeding profit.

"Hedging enables the farmer to predict his profits, as well as his repayment ability, with relative precision," said Mr Wixley.

He claimed farmers would be able to use the futures market in four ways:

■ To establish a price for a crop before harvesting or even planting;

■ To earn payment for holding crops in storage;

■ To speculate on price increases without storing the crop;

■ To establish the cost of feed to be bought at a future date.

"A farmer with a keen eye for prices has a big edge. Using futures, he is able to sell whenever he decides the price is right — even months before the crop or the slaughter animal is ready," Mr Wixley said.

The Conference will be held in Pretoria, on March 24 and 25. SAFEX is expecting about 400 participants.

R380-m capitalisation for Kolosus Holdings

Meat processor to seek listing

Star. 17/2/94

(3) Meat

BY STEPHEN CRANSTON

SA's largest red meat business, Vleissentraal, has hived off its industrial interests into a new company, Kolosus Holdings.

It plans to list Kolosus in the financial year to June 1995, selling 45 percent of the equity.

Brokers advising Vleissentraal estimate that Kolosus will have a market capitalisation of about R380 million.

Kolosus MD Tito Vorster says there was a conflict of interest between the aims of the co-operative and its industrial interests.

For example, Vleissentraal acted as agent for 60 percent of abattoir company Abakor's livestock needs, but was also its largest competitor.

Vleissentraal will continue to control agency and feedlot activities.

Kolosus is divided into three divisions — Leather Resources, Food Technology and Brand Investment.

It has a R1,5 billion turnover and employs 4 000 people. A decentralised company structure has been put in place and the head office reduced from 176 to 18 people.

The largest division is Food Technologies with a turnover of R800 million. It is made up of Supreme, Atlas Meat and Sam's.

It owns abattoirs at De Aar, Grabouw, Harrismith, Spekenam and Queenstown and controls 40,5 percent of the slaughtering capacity of Grade 1 2 abattoirs.

It is the dominant supplier of processed meat products in the Western Cape through its Spekenam factory in Belville.

Through the Supreme factory in Vanderbijlpark it is a major supplier to smaller retailers and the informal sector in the PWV.

The division has considerable scope to enhance the added-value portion of its mix, which now accounts for 40 percent of turnover.

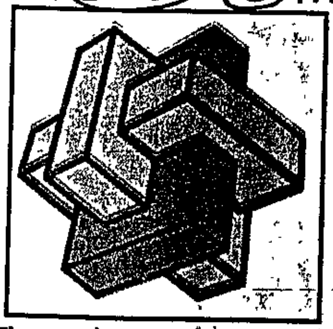
The added-value component is 71 percent in Leather Resources, which supplies upholstery leather through King Tanning and 50 percent of upper shoe leather consumed through Western Tanning.

It beneficiates sheepskin and exports 27 percent of its total turnover. It is to set up a finishing facility in Port Elizabeth to beneficiate many of the 20 000 hides exported in a raw or semi-processed state to Italy, France and Turkey.

Much future development will focus on Brand Investments, the vehicle for strategic acquisitions and joint ventures.

It holds 50 percent of Bull Brand, 57 percent of canned food distributor Ball & Coalter, a third of County Bird, strategic interests in a feedlot, a meat wholesaler and distributor, and four abattoirs.

Kolosus's attributable earnings are expected to be 25 percent down at R27,5 million in the year to June. But meat prices have bottomed out and it has good recovery prospects.



The new logo.

Tito Vorster ... conflict of interest.

Vleissentraal to seek JSE listing

MUNGO SOGGOT

SA's R3bn meat group Vleissentraal had consolidated its industrial operations into a holding company, Kolosus Holdings, and planned to seek a JSE listing, MD Tito Vorster said yesterday. BDay

The new company was looking for about R180m to expand its food processing and value-added activities, especially in the hides and skins sectors. 17 12 94

"Our market capitalisation of R380m and net profit of R32m in the year to May show a sound base for future growth."

Vorster said the listing would take place during Kolosus's next financial year, but not before the election.

He said the "change in environment" had encouraged Vleissentraal to go public. The old Vleissentraal co-operative, SA's biggest red meat co-operative, had become unwieldy and "top heavy", making decentralisation necessary. (3) Meat

Vleissentraal's head office had shrunk from 186 to 18 employees.

Vleissentraal had also transferred all its industrial operations, except for its agency and feedlot activities, into Kolosus Holdings, which consisted of Kolosus Food Technologies, Kolosus Leather Resources, and Kolosus Brand Investments. The three divisions had an annual turnover of R1,5bn and would employ about 4 000 people.

He said Kolosus Brand Investments handled the group's mergers and acquisitions. These included a 50% stake in Bull Brand, the largest meat product canner in the southern hemisphere.

The old co-operative would now concentrate on its more traditional functions. Vleissentraal co-operative would have a "strategic stake" in Kolosus Holdings.

Vorster denied the restructuring was in preparation for possible anti-trust legislation, and doubted whether co-operatives would be especially vulnerable.

'Shortage' caused a 20% jump in the price of beef

Staff Reporter

THE price of beef has shot up by 20% in the new year because of a shortage, a spokesman for Maitland abattoir said yesterday.

The average price for beef was R6,50/kg yesterday, compared with an average of R5,46/kg at the end of December. The price of mutton has stayed around R8/kg, while pork has dropped from R6,03 at the end of December to R5,08 yesterday.

"There is nothing very dramatic about this — it is the normal case of supply and demand," the spokesman said.

"Every January we have a shortage of beef, because most farmers are on holiday and don't take their cattle to the abattoirs.

"Next week prices will be back to normal because schools start again, and that means most cattle farmers will be back from holiday."

Information officer for the Meat Board in Pretoria, Mr Ernst Janovsky, said fluctations in the meat prices were a normal response to supply and demand.

Mr Janovsky said the surplus meat the board had bought during the drought was still being sold at abattoirs at cheaper rates.

"We don't want to kill the local auctions, so we only sell it once a month," he said.

CT 14/1/94

3 MEAT

Pun 11.4.94 (3) Meat

AGRICULTURAL FUTURES

Bullish outlook

In a surprise move at last week's conference on commodities futures, Maize Board economist Mike Elliott indicated broad support for a commodities futures exchange — once its proposed new maize floor price system is up and running.

"Depending on the level of the board's floor price, it would be possible to create a maize futures market in SA," says SA Futures Exchange (Safex) consultant John Wixley. But it could take at least a year to formalise one due to the need to first create a spot market — that is, a mechanism for establishing a daily price.

It was inevitable that with the ongoing deregulation of agriculture a new system had to emerge to take over the spot-pricing function of the control boards. Since the formal deregulation of the meat industry began early last year, official carcass auctions at State-owned urban abattoirs have rapidly diminished and been supplanted by live cattle auctions at hundreds of new abattoirs in outlying areas. That welcome freeing of the market, however, makes spot prices harder to come by.

The Safex conference not only gave a strong boost to the launching of an agricultural commodities futures exchange in Johannesburg in the foreseeable future, but also to the formalising of spot exchanges.

Says Wixley: "Safex's financial futures exchange was launched a mere five years ago and now has 70 registered brokers. It now handles about 50 000 financial futures and options contracts daily valued at about R1,5bn. The scope for growth in commodity futures is substantial."

Chicago Mercantile Exchange vice-president for international development Michael Gorham agrees with Wixley's bullish sentiments and believes that agricultural futures markets in SA could serve the subcontinent. "With control boards playing a diminishing role in marketing and pricing, the price-forming vacuum has to be filled. But first you would need formalised spot markets to act as price information centres, followed by futures markets to provide the hedging stability needed by farmers and buyers."

Gorham says SA is following the opposite route of the US, which developed commodities futures markets in the last century. "Only fairly recently did the Chicago exchange launch its enormously successful financial futures contracts, which now trade at a volume of about US$330bn a day. In your case, Safex first established a financial futures market and is only now looking at the possibility of launching a commodities futures exchange."

And, while commodities futures used to dominate Chicago's trading, they have now been far surpassed by the huge volume in financial futures — with about 40% of the exchange's financial futures investment flowing in from overseas.

Wixley says obtaining lists of potential futures brokers, followed by the establishment of effective commodities spot markets, is the next step following the conference. He is offering Safex's assistance in getting a commodities spot exchange (for grains — maize, wheat, sorghum and possibly oilseeds — red meat and fresh produce) established.

Meat Board economist Ernst Janowski says the red meat industry would lend itself to a futures contract but, possibly, only in the fairly limited top range of the slaughter product. Here, again, SA differs from the US, where futures contracts are taken out on live, rather than slaughtered cattle.

Price volatility for livestock is far higher than with slaughtered meat because fewer grades and greater differentials exist, making it more attractive for futures speculators. Therefore, to institute a similar system in SA means new grading systems will also have to be developed, though the first steps have already been taken.

"We operate a fairly sophisticated, graded live cattle auction system in Natal and have been passing on our daily price movements to the Meat Board," says Natal's Stockowners Co-op CE Val Field. "If a national livestock grading system can be developed, we would be happy to participate in a commodities futures exchange."

Meat Board economist Wilby Venter says that with the board's floor price system under pressure (abattoirs have, since August, been refusing to pay Meat Board stabilisation levies because they claim that they have a negative impact on pricing and profitability), the board is searching for options. But, he adds, a floor price system remains the preference of farmers, according to the Red Meat Producers' Organisation.

Wixley says there would be no shortage of commodities speculators — the lifeblood of any futures exchange — provided enough sellers and buyers were found to sign on as brokers and hedgers.

And with the ANC also supporting fewer controls over agricultural marketing, both buyers and sellers could well be forced to take the next step towards supporting Safex's initiative to launch such an exchange. ■

EYEGLASS INDUSTRY

Battling over discounts

Discount spectacle dispensers not registered with the SA Medical & Dental Council could be shut down soon if Frames Unlimited loses next month's ruling in a two-year-old court case. A decision against the 30-branch Frames Unlimited chain would affect other discounters and be bad news for the roughly 2m people who wear glasses and contact lenses and the estimated 6m more who need them (*Business & Technology* May 14).

Optical dispensers don't prescribe spectacles or contact lenses; they take the prescriptions written by optometrists and ophthalmologists, have them filled at a lab, then fit the frames and lenses for customers. Before 1976, dispensers faced no legal requirements. Since then, they have had to take a three-year technikon course and pass an

ENTER SUN MICROSYSTEMS

The latest in the long line of major computer companies to set up office in SA is Sun Microsystems from Mountain View, California. The world's top Unix work station manufacturer, ranked 139th on the Fortune 500 list of America's biggest industrial companies, Sun braved political uncertainty and opened a small office in Midrand this week.

Though known mainly for its powerful work stations and file servers (which have replaced the much bulkier minicomputers at many scientific and commercial sites around the world), Sun sees its main line as "enterprise networking" — the provision of networked computer systems to all types of organisations with operations that span cities, countries and even continents. Sun coined the popular phrase "the network is the computer."

The company has sold more than 1m computer systems based on the Unix operating system since it was formed in 1982. According to International Data Corp, Sun was number one in revenue and units sold in the Unix systems market last year, ahead of Hewlett-Packard, Digital and IBM. Revenues grew 20% to US$4,31bn in fiscal 1993.

Sun formally entered the local market at the end of 1992 with the appointment of Vector Network Computers, Rightsizing Technologies, Lonnet and Risc Solutions as distributors. It appointed Large Scale Systems as its fifth distributor in February.

Its installed base in SA numbers about 1 600 systems. Customers include First National Bank, Standard Bank, Old Mutual, Price Forbes, Wits and Pretoria universities, the CSIR and Kruger Park. Jan Smuts airport uses Sun equipment to control aircraft movements.

Sun regional manager for southern Africa Abie Fullard says: "We are not in competition with our distributors, who will continue to act as Sun's main distribution channels. Our purpose is to get closer to these partners and provide more support for customers." The office will focus on technical, marketing and support services.

50% of infant deaths linked to pavement meat

ROGER FRIEDMAN, Staff Reporter

ABOUT half the meat eaten by South Africans is slaughtered on the street — and about half of Africa's infant mortalities are directly or indirectly attributable to bad meat. (3) MEAT

Armed with these alarming statistics, the State Vet launches a major educational initiative next month. ARG 13|4|94

Deputy director, Veterinary Public Health, Malcolm de Budé said the initiative had been two years in the planning and most major consumer unions and housewives' organisations had been consulted.

The pavement abattoir and butchery industry was fraught with problems, Mr De Bude said.

Not least was the fact that farmers commonly sold diseased live animals at higher prices than healthy animals fetched at municipal abattoirs.

The number of "condemned" animals at municipal markets was well down, he said.

The relatively high prices paid by the butcher resulted in extremely low profit margins. Profits were insufficient to upgrade hygiene and diarrhoea proliferated.

Quoting World Health Organisation and the United Nations' Food and Agricultural Organisation figures, Mr De Bude said 10 out of each 1 000 children who died in developing countries did so as a result of diarrhoea.

Between 50 and 60 percent of diarrhoea was caused by bad meat.

The State Vet's initiative was non-prescriptive and aimed at empowering communities to make their own hygiene decisions.

The initiative would be launched in the major urban areas, but his department hoped to extend the campaign through radio.

An initial R400 000 had been provided by the Department of National Health and Population Development and the Abattoir Levy Fund to kick-start the programme.

● For further information contact the State Vet at ☎(012) 206 3340 or ☎(021) 930 5910.

Rains and the poll send meat prices up

(3) MEAT

□ Disruptions to blame

ARGUS 6/5/94

ROGER FRIEDMAN
Staff Reporter

GOOD rains and the elections are responsible for rocketing meat prices in Cape Town, according to the Meat Board.

Prices of auctioned mutton, pork and beef have increased by up to 40 percent over the past few days.

Top-grade lamb sold for R8 a kg two weeks ago. Last Friday, after the double public holiday, it peaked at R14. This Wednesday, it was selling at R13,75. And, that's without delivery charges, VAT and retail mark-ups.

But, these "abnormal" prices were largely due to disruptions in slaughtering caused by the elections and numerous public holidays, said Meat Board deputy general manager Frans Pieterse.

The abnormal prices could even "get a bit stiffer" with more public holidays next week. "We expect it to come back to normal soon after," said Mr Pieterse.

But, not that normal. The bad news is the industry is in the midst of a "seven-year cyclical trend" and prices are set to increase steadily until next summer.

After the crippling drought in large parts of the country over the past few years, farmers were in the process of "building up their stock". This had led to a situation of short supply, said Mr Pieterse.

Whenever demand exceeded supply, prices rose accordingly.

Ironically, there are still about 5 000 tons of stockpiled beef in cold stores around the country, down from about 10 000 tons a year ago.

● Local Meat Board boss Bertie Ackhurst has criticised the city council over its indecision about the sale of the Maitland abattoir.

He said outside abattoirs — in Paarl, Grabouw and Malmesbury — were slaughtering close to capacity while Maitland was running at 45 percent.

This he ascribed largely to higher service charges at Maitland, including a city council levy of 3c a kg for improvements.

There had been no improvements since 1986, he said.

"For the past two years we have been reducing staff to bring costs down, but the council will not phase anybody out at the Maitland abattoir. This has a negative influence on our costs.

"In the meantime, the outside abattoirs are doing better and better. After the Maitland abattoir is sold we will have to market it again."

Meat Board 'deserves the chop'

S Times (Buss) 1/5/94

By DON ROBERTSON

MEAT Board control of the slaughter trade should be deregulated, says the Competition Board.

The board's findings on the meat trade were published in the Government Gazette on April 15 and completed an investigation which started in July 1991.

During the investigation, large sectors of the trade were deregulated and many of the factors which sparked the initial inquiry fell away. The crux of the report relates to deregulation of the meat scheme.

The Red Meat Producers Organisation (RPO), part of the SA Agricultural Union, believes that certain controls should remain.

The thrust of the meat scheme is "control" of the movement of meat and meat products throughout SA, maintenanace of a floor price, purchase of meat surpluses and payment of levies on cattle slaughtered.

RPO chairman Gerhard Bronn says his organisation "has definite viewpoints on supply management, price formation, basic hygiene standards and voluntary classification which form the pillars of industry. It is in the interest of the entire read meat industry that these conditions are retained.

"The RPO believes that there will always be a need for a meat scheme. The RPO will, on a continuous basis, determine the producers' conditions for such a scheme and negotiate for it accordingly," says Mr Bronn.

Some meat farmers are worried about the levies on each head of cattle slaughtered.

(3) Meat

Farmers were obliged to pay R18 a head in 1989. This was reduced to R6,60 in 1991, increased to R11 in June 1992 and slashed to 20c in August of that year. In July 1993, it was increased to R8,12 and reduced to R5,60 in August.

Independent farmers say payment of levies should be voluntary. In February, the Organisation of Livestock Producers (OLP) said it would challenge the levies in the Supreme Court and ask for the return of all money paid since 1992. The case will be heard on May 26.

Mr Bronn says the levies are used only for administration and promotion and not to support a floor price or to buy in surpluses.

The Meat Board's stabilisation fund amounts to about R155-million.

Meat Board's R75m in deregulation row

By CIARAN RYAN

ATTEMPTS to "privatise" the Meat Board by using R75-million of farmers' compulsory levies are criticised by the Sunnyside Group.

The board proposes transferring some of its functions — and R75-million — to a trust or public company to carry out its duties.

Board general manager Pieter Kempen says the move is a "continuation of the process of deregulating the meat industry".

The trust would be a voluntary association and farmers would not be compelled to pay levies to it as is the case under the floor-price scheme. The board would operate the floor-price scheme "until the industry decides it no longer wants it".

The proposal must be approved by the National Marketing Council and the Minister of Agriculture.

Dr Kempen says: "This is not an attempt to privatise the board or safeguard jobs for its staff. The red-meat industry would run the new trust. No members of the board would be on its directorate." (3) Meat

Sunnyside Group director Chris Darrol says: "The R75-million was raised from compulsory levies. If the board does not intend to use it, the money should go back to the farmers."

Dr Kempen says the meat trade approves of the proposal.

"We have a function to fulfil on behalf of the industry and this must be financed. The money will come from the Meat Board's revenue and will be used only to start the new operation. After that, it must be self-financing."

Mrs Darrol says the timing of the proposal suggests the board is trying to carve a new role for itself when pressure for deregulation is growing, and the new Government has yet to announce its policy on control boards.

Meat price shock

City butchers paying 'ridiculous' figures, up 40% in eight weeks: Dramatic increases on way

JOHN VILJOEN
Staff Reporter

CAPE Town consumers face "dramatic increases" in the price of meat for the rest of the year, according to meat industry sources.

Meat imports are likely to be stepped up to overcome a major livestock shortage caused by two years of widespread drought.

Wholesale meat prices had risen by 40 percent in the last eight weeks, a butcher said today.

Cape Town butcher Harry Sacks said the increase in meat prices was "unbelievable" and said they were "ridiculously high".

"We haven't increased our prices yet — we are absorbing the increase — but I don't know how much longer we will be able to do that. Consumers will definitely have to pay more."

In December, when meat prices were usually at their highest, Cape Town butchers paid about R6 a kilo for A Grade beef carcasses and more than R10 a kilo for best quality lamb.

Those prices would now be "bargains", Mr Sacks said.

In Cape Town today best quality lamb carcasses cost R13,40 a kilo and beef between R7,60 and R7,80.

He hoped the government would declare meat VAT-free. This would provide "minor relief" for consumers, Mr Sacks said.

The rest of the year would see "dramatic" increases in the price of meat said Wholesale and Retail Butchers Association chairman James Milne. "It's just got to come."

The high price was due to a major shortage of livestock in the Western Cape. The late rains meant that animals were "not market ready". Farmers were holding livestock back to prepare them for slaughter, Mr Milne said.

A possible solution for the shortage was to increase meat imports.

Apart from regular sources of meat such as Botswana and Namibia, lamb and mutton was being imported from Australia and other options were being explored.

The Red Meat Producers' Organisation would soon hold talks with the government for permission to increase imports, he said.

"We are not sitting around doing nothing."

He blamed fees for slaughtering at the Cape Town abattoir, which were higher than other centres, for the increased prices and the shortage.

Regional meat board manager Bertie Ackhurst agreed abattoir fees were higher than elsewhere but said this was not a factor in the price hike.

(3) MEAT

Call to zero-rate VAT on offal

Star 8/6/94

BY SHIRLEY WOODGATE

Meat retailers have urged the Government to zero-rate VAT on offal as the cost of the staple food soars beyond the pockets of millions of poor and starving people countrywide.

The plea is backed by estimates that 800-900 tons of cattle, sheep and poultry offal is sold daily to the most destitute section of the population in rural and urban areas.

Retailers warned that offal was in many cases the sole source of essential protein in diets of more than half the population. One purveyor said: "Nobody is poorer than those who regularly rely on offal to feed their families."

As VAT and profit were added at every stage from farmer to end-consumer (mainly black housewives), a product that previously sold for R1 per kilogram had been increased in price to R1,50, plus VAT and profit, putting it beyond the means of vast numbers of underprivileged people.

(3) meat

The cheapest alternative meat cuts include chuck and mince at R5/kg.

Also at risk was the livelihood of some 2 000-3 000 hawkers specialising in marketing offal, who could no longer make a living as cash-strapped buyers dropped out of the queue, said retailers.

The daily market comprises some 300 tons of chicken legs, heads and intestines, known as "mala"; 300-500 tons of cattle entrails, including small and large tripe and intestines; and 150 tons of sheep offal, including front leg trotters, tripe and heads.

Fewer sheep are sold at the abattoirs than cattle, the ratio of slaughtering being about 100 kg of beef to 5 kg of mutton.

Vital

It is claimed that the financial loss to the Government if it zero-rated offal would be R140 000 a month, which is a drop in the ocean compared with the R85 million derived from VAT on foodstuffs.

Meat Board information manager Jurie Erasmus said it was vital to zero-rate VAT on not only offal but on all red meat, which was a rich source of protein and iron.

It was an anomaly that rice and fish should escape VAT while meat was taxed, since red meat was as basic to healthy diets as fish, he said.

Tariff cut 'could halve meat prices'

MUNGO SOGGOT

MEAT prices could be chopped by almost half if tariffs on imported meat were cut, industry sources said yesterday.

OK merchandise director Peter Dodson said local shortages had pushed meat prices up 40% in the past six months. Sales had dropped alarmingly. B/Day

Pick 'n Pay joint MD Gareth Ackerman said his company had asked government to lower the tariffs. This would lead to local prices dropping as they would be supplemented by imported meat. 17/6/94

He said the Meat Board — which made representations to the Trade and Industry Department and sat on the committee that set the tariffs — had a vested interest in keeping the import tariffs high.

Tariffs should be set at a level that prevented the dumping of subsidised meat in SA but which also protected local farmers. "Australian meat, which is not subsidised, could be sold here at 60% of the price of local meat," Ackerman said.

Meat Board deputy GM Frans Pieterse said the board was not responsible for setting tariffs. (3) Meat

"There are indications that importers are exploiting the market and imports are not freely available to all in the distribution trade. The new tariff structure, which has been agreed to and is being considered by Trade and Industry, will make imports more affordable."

Shoprite/Checkers said it had also called for a cut in the tariffs.

Cut cruelty, 'barbaric' feather pluckers warned

(3) MEAT ARG 2/7/94

■ South Africa's multimillion-rand ostrich industry, already battered by Britain's refusal to import ostrich meat because of live plucking of the birds here, faces a total European ban by the end of the year if strict controls are not applied.

DI CAELERS
Weekend Argus Reporter

OSTRICH products from South Africa may be banned in the European Union because of the "barbaric" practice of plucking feathers from the birds while they are still alive.

Already the United Kingdom has closed the door on the import of ostrich meat, and that decision could extend to all European Union countries by the end of the year unless the industry cleans up its act.

Officially, live plucking of ostriches, since the United Kingdom decision late last year, has been outlawed here but sources in the industry maintain the practice still goes on.

Ostriches are apparently plucked before slaughter because the quill holes close up better, improving the quality of the hide, according to the animal rights newsletter Animal Voice, published in Cape Town.

They quote an eyewitness as saying that "to pluck unripe or green feathers from an ostrich is barbaric. To see them being stripped stark naked was one of the most terrible things I've ever witnessed. The pain and blood is terrible to see".

Negotiations are presently under way between the ostrich industry and the EU, veterinary public health deputy director Malcolm De Budeé said this week. By the end of the year a set of European directives controlling imports from countries outside the Union will decide on the fate of South African ostrich products.

"At the moment the regulations are not unified so we still export to countries like Belgium and Austria. But at the end of the year the directives will bind all EU countries.

"We are trying to influence the EU to write the regulations in such a way that we can fit in with them. The major point is to convince them that we pose no threat," he said.

South Africa only took steps to stop live plucking of ostriches after British ministry of agriculture, food and fisheries inspector, David Mauat, vetoed the import of ostrich meat into the United Kingdom after a visit here late last year.

His objections, which are also the subject of EU negotiations, included:

■ The live plucking of ostriches was not acceptable to the UK's Charter on Animal Welfare.

■ An outbreak of Newcastle Disease — the poultry equivalent of foot-and-mouth disease in cattle — among South Africa's ostriches.

■ Residues of the growth stimulant Zerenol in the meat.

Walter Löwe, director of veterinary public health, told *Animal Voice* that following Dr Mauat's visit immediate measures were taken to stop live plucking.

"It was terrible. The ostriches were stripped of all their feathers. They went to the slaughter completely naked. We put an immediate stop to it and we try to monitor the situation now."

But *Animal Voice* reported a member of the ostrich industry as saying "humane changes" were still "in the pipeline" at some ostrich abattoirs, including the major one at Oudtshoorn.

And Dr De Budeé told Weekend Argus that the fancy quill feathers were still plucked while the birds were alive because structural changes to some abattoirs were necessary before the practice could cease.

"There is not enough space for sorting them but we have said to them (the industry) that the policy is that they must get it right. In the meantime, only limited live plucking occurs.

"And this is only done under veterinary supervision to minimise the birds' discomfort. It's not the ideal situation and we hope to reach the ideal situation next year."

Discussing the other concerns around the industry, Dr Löwe told *Animal Voice* his department was conducting a residue-monitoring programme. The drug concerned was Zerenol, a growth stimulant, which he believed was no longer being used.

Dr De Budeé said another disease, avian influenza, was also of concern to the EU.

Marcelle Meredith, executive director of the SPCA, said her organisation had stopped live plucking at a Grahamstown abattoir in November last year and "to the best of our knowledge birds are now being slaughtered with all their feathers on".

"We have it from an expert from the United Kingdom that the practice of live plucking is unacceptable as it is not humane. No vets in this country have voiced an opinion on the subject as they say they haven't done the necessary research.

"But in a case like this we must give the birds the benefit of the doubt," she said.

Marius Greeff, chairman of the Ostrich Producers' Organisation in Oudtshoorn, and Gavin Kanigowski, chairman of the Western Cape Ostrich Breeders' Association, were both out of town and could not be contacted for comment at the time of going to press.

Ostrich product exports top R161m

EDWARD WEST

BDay 22/7/94

CAPE TOWN — Greater emphasis on marketing has resulted in a steady increase in ostrich product exports during the past five years to R161,4m in 1993, the Klein Karoo Landbou Koöperasie says.

Until October last year, when the industry was deregulated, the co-operative exercised tight control over the sale of products of the world's biggest bird.

Its income from ostrich skins last year was R144,4m (1992: R132,5m), meat R31,4m (R25,7m) and feathers R14,1m (R14,3m). (3) Meat

The export share of the co-operative's total income — about 85% — was more or less the same for all three product categories.

Income in rand terms during the past five years virtually doubled to R189,9m from R95,7m in 1989, mainly as a result of strong growth in the sale of skins to R144,4m from R68,1m in 1989. Income growth from feathers had stabilised during the past few years because of a shift in production from plucking birds to slaughter birds. In 1990 income from feathers was R10,7m; in 1991 it was R17,5m.

Ostrich meat's low-cholesterol properties had made it popular in European markets. However, skins attracted a premium price of about R1 000 each. Each ostrich produced about 25kg of deboned meat.

Because SA's export volumes to Europe had been easily absorbed, no major meat promotional activities had been undertaken.

Drought had made regulation of the industry virtually impossible, as many farmers outside the Klein Karoo turned to ostriches after other crops failed.

New challenge to Meat Board

S I Times (Buss)

20/2/94

By CIARAN RYAN

THE Organisation of Livestock Producers (OLP) plans to ask the Supreme Court to halt the government's new meat marketing scheme.

The OLP, the Sunnyside Group and nearly 20 abattoirs have joined forces in seeking a court order prohibiting the Meat Board from summonsing them for non-payment of levies.

They claim Agriculture Minister Kraai van Niekerk acted outside his powers by implementing the new scheme in 1992 without consulting farmers.

The scheme allows the freer movement of meat. It also enables farmers to opt out of the floor-price scheme, which guarantees minimum prices for slaughtered animals. But it compels farmers to continue funding the Meat Board through levies of R5 a head on cattle and 78c on sheep.

The objection centres on levies farmers are obliged to pay the Meat Board. The OLP says levies should be voluntary.

OLP head Nils Dittmer says the court order is being brought because of the board's intensifying harassment of meat farmers and abattoirs.

"The board is trying to reassert its presence in the meat industry after remaining quiet for several months," he says. "But it has no role to play any longer. More than half the meat sold in the country bypasses the scheme."

Meat farmers plan to claim repayment of all levies paid to the board since 1992 should they win the court case. (3) Meat

Mr Dittmer says this could cause the board's financial collapse.

Meat Board deputy general manager Frans Pieterse confirms that several farmers have been summonsed for non-payment of levies, but he has no knowledge of the court application.

"We are working hard on the continued deregulation of the industry, but some producers have been acting outside the law."

Mr Pieterse says the board's reserves, which are used to fund the floor price, total R170-million.

The board says it should continue to play a role in the marketing of meat and that floor prices ensure minimum prices for farmers.

Mr Pieterse says Mr Dittmer has waged an unrelenting campaign against the Meat Board.

"But what has not been disclosed is that his Farm to Family discount butcheries are battling."

The Land and Agricultural Policy Centre (LAPC), an ANC think tank, has proposed sweeping reform of control boards.

The LAPC's Jonathan Beynon says there may be a case for retaining the Meat Board, but it should not have sole marketing rights.

An LAPC report, Agricultural Marketing and Pricing in a Democratic SA, calls for deregulation of marketing boards, which it blames for high food prices.

Mr Beynon says there may be some cause for retaining marketing boards for essential crops, such as wheat and maize.

The LAPC calls for food prices to reflect regional variances in supply and demand and the different cost structures around the country.

The OLP rejects claims by the government that the meat business is deregulated. Previously, farmers had to obtain permits from the board to move cattle from uncontrolled to controlled areas, where the major urban markets are sited.

The new scheme replaces geographical restrictions on the movement of animals with stringent hygiene standards, says the OLP.

So long as farmers are forced to pay levies, there can be no deregulation.

Only animals slaughtered in one of 27 designated abattoirs — out of a total of 260 — can be sold in major urban centres.

BONE OF CONTENTION . . . Nils Dittmer, chairman of the Organisation of Livestock Producers and leader of the rebel meat producers

A Queenstown farmer, Andrew Mager, was convicted in 1992 on 26 counts of fraud and fined R4 000 for marketing and grading his own meat.

Mr Mager says the laws under which he was convicted have since been repealed, yet the board continues to prevent him from grading his own meat.

Mr Dittmer says the new scheme increases rather than decreases the board's control of meat.

"Until we get rid of the Meat Board, we will continue to make criminals out of innocent farmers who are merely trying to make a living."

New move to privatise Abakor

SI Times [Buss] 11/12/94

By CIARAN RYAN

MEAT industry representatives are being sounded out on a possible new move to privatise state-owned abattoir group Abakor.

Abakor was forced to abandon privatisation plans last year after an outcry from representatives of the meat industry and the ANC.

The government has yet to release Abakor's financial statements for the year to June 1994, but financial director Wicus Kotze says the group made a loss because of a sharp decline in animal slaughterings as farmers restocked herds following the drought.

Nils Dittmer, executive director of the Organisation of Livestock Producers, says he is aware of the move to privatise Abakor, but that it should only take place if the group's 11 abattoirs are sold individually and if no preferential share allocation is permitted.

"Abakor has an unhealthy grip on the slaughter market and we do not want to see a public monopoly become a private one. There must be further deregulation of the meat industry prior to privatisation, particularly with regard to the grading of meat, which we would like to see introduced on a voluntary basis."

Abakor's previous efforts to privatise provoked an outcry because of the planned sale of R200-million worth of assets for little more than R70-million, a two-thirds discount on net assets. Meat producers were to have received 45% of the shares, Abakor staff 5%, retailers and producers 30% and the public 20%. Critics said the main intended beneficiaries of the privatisation were the same people already in control of the meat industry.

Eugene Janse van Rensburg, chairman of the Policy Unit for Public Enterprises and Privatisation, says it was always envisaged that Abakor would be privatised at some point, but a final decision is awaited from the government.

Mr van Rensburg says Abakor's performance has deteriorated because of the fall in slaughterings. He adds that the guidelines under which Abakor was to have been privatised will be reconsidered.

Abakor's share of the total slaughterings declined from 47% to 41% over the last few years as hundreds of smaller abattoirs sprang up following the partial de-regulation of the meat industry in 1992. Many of these smaller abattoirs are now up for sale.

Once privatised, Abakor will fall under the Companies Act rather than the Abattoir Corporation Act, enabling it to compete in the meat processing and distribution trade. At present, it is restricted to slaughtering animals on behalf of producers.

(3) Meat

FM 4/3/94 (3) Meat

RED MEAT FM 4/3/94

Eyeing up exports

SA has never exported much red meat. In fact, it's always been a net importer, but now the R10bn-a-year industry is suddenly realising that its future might lie with exports.

Several factors are contributing to this sea change in attitude among the country's cattlemen, sheep farmers and other meat producers. The end of sanctions is opening up foreign markets. The excellent rains this year are replenishing grazing lands, allowing ranchers to increase their herds. Under Gatt, SA has agreed to lower barriers to meat imports, which will force local producers to find new markets. Finally, an ANC government is expected to favour food consumers over food producers, which will also force producers to find new markets in order to maintain revenues. (3) Meat

Any strategy to become export-orientated overnight has, however, serious flaws. "We favour increased exports; we now ship a few tons each month to Switzerland and smaller quantities to some Indian Ocean islands," says Kanhym Fresh Meat MD Sakkie Saayman. "But one first has to investigate market possibilities and make sure that our prices are right. We now have difficulty in competing."

This month Saayman will investigate possibilities in China as part of an industry delegation to the first SA-China trade show in Beijing.

Imperial Cold Storage CEO Roy Smither says it will not be easy for SA, with its tiny 6m-8m cattle population that must be fattened at costly feedlots, to compete with big cattle countries such as Argentina, where 60m cattle range freely on the rich *pampas* and need little additional fattening feed, and Brazil, with 45m cattle. "We must not be naive as to the competitive realities of the global market," he says.

Another issue concerns the need to upgrade local abattoirs to export-quality standards. But Abacor MD Frans van der Vyver says the abattoirs at City Deep, Johannesburg; Cato Ridge, Durban; Pyramid, Pretoria; and Kimberley can all be certified for export at a minimal capital cost.

An export drive by local red-meat producers would start well behind the pack, but steps are being taken to close the gap. With a near-record maize crop expected this year (*Business* February 25), discussions are under way between feedlotters, red-meat producers and the meat trade, on the one hand, and the Maize Board on the other. The meat industry wants the board to sell "export-focused" maize to feedlotters and meat processors at a discount to the local market price. The maize that isn't sold locally is already exported at far below the local price, so maize farmers would stand to make more money under the proposal.

"Feedlots mostly produce higher-grade meat that could be exported more widely — if our prices were right," says SA Feedlot Association executive director Piet de Wet. "It would therefore make a lot of sense to export cheaper surplus maize in the form of meat, rather than selling it at an even larger discount on the export market. This means that maize farmers would get better prices than if they were forced to export maize at the current low world prices."

De Wet says the major demand in the local red-meat market is for cheaper, standard-grade products that could be easily imported from the EC, Australia and New Zealand. Local producers could then focus on developing export markets for their more expensive cuts. "We now have high import tariffs on standard-grade cuts and lower tariffs on quality products. It should be the other way around."

Trade-policy experts, however, say SA should have low tariffs on high-quality meat to provide the constant source of competition that any industry needs as a standard to test itself against.

In any event, tariffs will come down under Gatt. A Meat Board committee comprising representatives of producers, the board and retail butchers last week submitted proposals to the Board on Tariffs & Trade "to reduce the currently high (up to 100%) import tariffs to more realistic levels," says board GM Pieter Kempen.

For now, he declines to make the proposals public, but one group, the National Federation of Meat Traders, wants the tariffs on frozen mutton carcases and boneless cuts reduced to R1/kg. The tariffs now range from R3,30/kg to R4,40/kg.

With ranchers holding back stock to rebuild depleted cattle and sheep herds after the long drought, meat prices have started rising. So both the big supermarket chains and retail butchers have turned up the pressure for lower tariffs so they can import cheaper cuts of meat.

"Lamb and mutton prices at the Cape Town abattoir have jumped by 14%-27,5% since August," says Pick 'n Pay Butcheries' Rob Speedy. Cutting or eliminating tariffs would certainly reverse that trend. ■

MEAT PRICES

Tru 23/12/94

The virtues of imports

(3) Meat

Red meat prices have skyrocketed by 36%-40% in the past year but they would almost certainly have been far higher had not the new meat tariff structure encouraged a flood of imports (see graph) which have held prices in check.

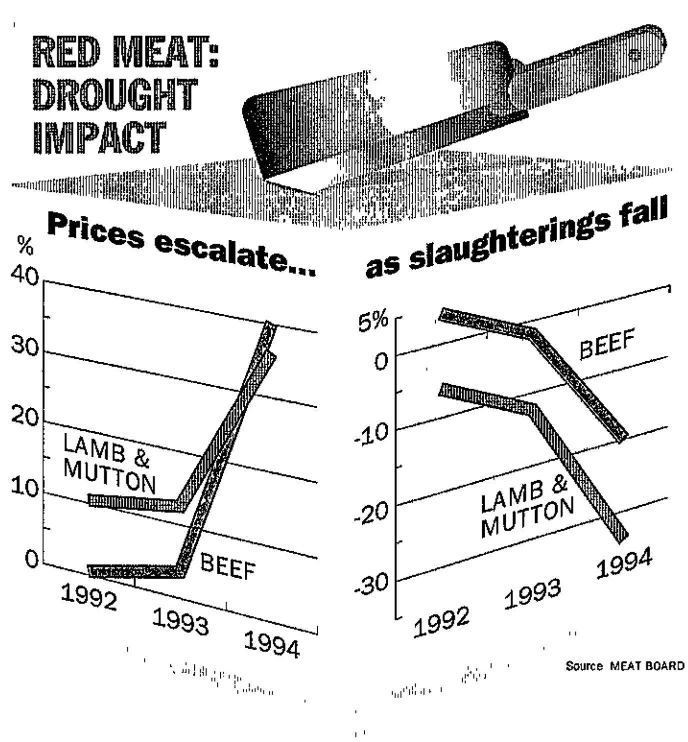
Import tariffs are lower and importers are exploiting a loophole in regulations which allows them to bring in huge volumes at a substantial discount to normal tariffs.

Over the past year beef imports made up about 20% of consumption and mutton and lamb about 50%. Beef imports jumped to about 35 900 t (last year 7 650 t); sheep and lamb to 37 200 t (5 000 t); and pork to 15 300 t (1 700 t).

With minimal flows of red meat to slaughter houses, as farmers rebuild herds depleted by a three-year drought, the low meat tariffs and subsequent imports have saved the day.

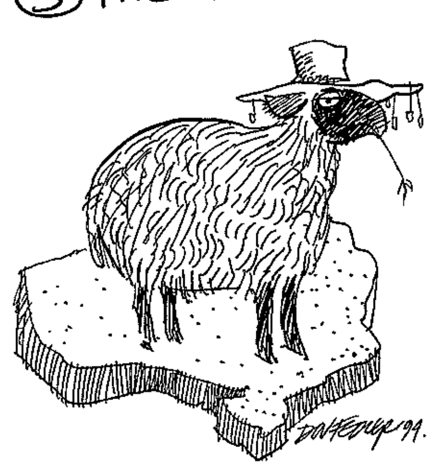
Red Meat Producers' Organisation GM Gerhard Schutte says farmers, retailers and processors joined the Meat Board this year to lobby for tariff reductions (*Business* November 4) because they realised a red meat shortage could lead to excessive price hikes and damage the market.

"As slaughterings dropped by 30%-40% we realised there was no alternative but to increase imports. We lobbied to reduce tariffs on frozen beef forequarters from Europe to R1/kg and on Australian mutton carcasses to R1,50/kg," Schutte says.



It is estimated that total meat imports this year (including chicken and turkey) could cost R600m in foreign exchange. As a result there are signs that this heavy burden on the fiscus is prompting a rethink of the meat tariff policy.

Says Patrick Gaertner of Cape Town-based EM Gaertner Trading: "As from November 16 we've been forced by Customs & Excise to stop further imports of preserved red meat as they issued a tariff determination which now classifies this as fresh/frozen meat. We reached a settlement whereby they would not claim back duties retrospectively, which would have cost us about R82m. We are allowed to bring in sheep carcasses at R1,50/kg tariff but Customs will not allow us to bring in the so-called six-cut (a sheep carcass cut into six portions in a box) under this lower tariff. Thus we are prevented from passing on the price benefits of bigger volumes of imports to the consumer."



Customs & Excise Deputy Commissioner Izak Coetsee says the Port Elizabeth Supreme Court last week prohibited the importation of boxed six-cut sheep carcasses at the lower tariff of R1,50/kg. "The Board on Tariffs & Trade is now looking into the issue," he says.

Meat Board GM Pieter Kempen supports importation of boxed carcasses under the lower tariff. "We're looking for a simplified tariff system," he says. With Newcastle disease-induced shortages hitting the market a flood of frozen chicken has been landed.

Not everyone — especially poultry producers — is delighted at the prospect of higher white meat imports. Rainbow Chicken marketing director Steve Patterson notes that, though production is back to normal, "we still have to contend with thousands of tons of chicken breasts brought in as a by-product under an 8c/kg tariff (spiced chicken, sprinkled with peppercorns, is also imported at 8c/kg), while it should be R3,13/kg."

An application was lodged with the board about a month ago to close the loophole. Patterson says he is aware of import permits for about 40 000 t of chicken being granted over the past year (against total local consumption of about 450 000 t/year) and expects about 30% of it to come in as deboned breasts. "Poultry imports should reach about 50 000 t this year," he says.

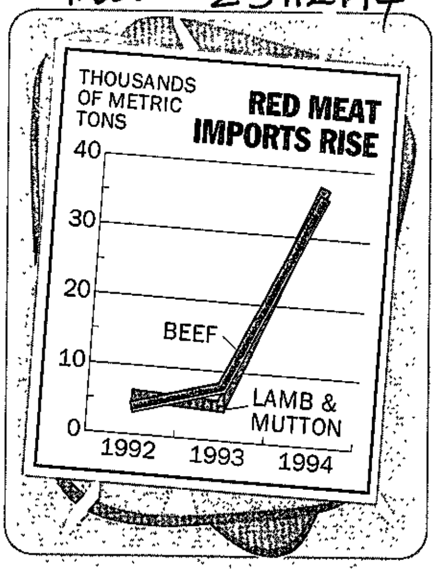
Newly listed Kolosus Holdings MD Tito Vorster says the new meat import policy should help to get rid of the sharp cyclical hikes in meat prices caused by stock rebuilding. "As long as there are proper anti-dumping measures to protect farmers against subsidised exports, I support the abolition of all meat tariffs."

Meanwhile, the Meat Board is losing its once-dominant grip over the R10bn/year red meat industry. Schutte says the board must find a new role. In future it should act in the national interest rather than being more producer orientated. He says the Red Meat Producers' Organisation supports the creation of a Red Meat Trust which would take over the board's responsibilities for meat classification and grading, trade statistics and livestock advice services.

But Nils Dittmer, of the independent Organisation of Livestock Producers, and the Sunnyside Group small business lobby, representing 70 member organisations and 300 000 small, medium and micro enterprises, strongly oppose the Meat Board and the organisation's initiatives. In a letter to members of the Cabinet on December 5, Sunnyside Group executive director Chris Darroll debunked the idea of the Meat Board as a reformist leader and attacked Agriculture Minister Kraai van Niekerk for supporting the creation of the Red Meat Trust and transfer of R75m from the board's stabilisation fund to the trust.

She wrote: "The Meat Board is abusing

FM 23/12/94



Source: MEAT BOARD

③ Meat

levy reserve funds to advertise for a grading/classification system which is the exclusive right of the board and which can be construed to justify its own existence. Certain abattoirs are excluded from the right of grading, while others are harassed by declassification consequences should they refuse to collect board levies."

At least two Ministers have acknowledged receiving the letter — which adds that the "obdurate" board has, for eight months, refused to meet the group. ■

PUBLISHING

A breathless time

What should be done to resuscitate a tired-looking financial weekly? This could be the dilemma facing UK-based journalist Richard Rolfe and Lynne Hill (wife of expatriate financier Oliver Hill) if they win their two applications against *Finance Week* and its editor, Alan Greenblo, now awaiting judgment (*Business* November 25).

Waiting in the wings is prestigious British financial monthly *Euromoney*, whose plans to take control of *Finance Week* have been frozen pending the outcome of the case.

The applicants allege that the deal originally negotiated by Greenblo would have secured continued employment at *Finance Week* for him and deputy editors Howard Preece and Kerry Clarke.

The question is: would *Euromoney* still want *Finance Week* on the terms that might be attractive to Hill and Rolfe? This prompts the question whether Rolfe himself might want the editorial chair — with Hill's backing, of course. In all these scenarios, it can be assumed that a victorious Hill and Rolfe, in control of *Finance Week*, would move swiftly to oust Greenblo.

It has been suggested that should Greenblo lose, he might sell his shares in Finance Week Holdings to the applicants at R68 each — a price which would value the company at around R2,5m. This seems high for a company that lost R225 000 in the year to end-March 1994.

The relevant financial statements, annexed to the second application, also disclose that the directors received remuneration of R635 000. It is probably reasonable to assume that the bulk of this was paid to Greenblo in editorial salary. Also gleaned from court papers and of some significance is that *Finance Week* borrowed an extra R934 000 during the financial year.

Those who have followed the unfolding saga might not have too long to wait for the answers to these questions. Judgment could be handed down before the new year. ■

PAPER FM 23/12/94

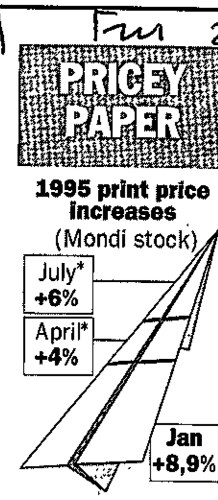
We have a lift-off

Paper prices could rise by up to 19% in the next six months as world demand for pulp soars.

This month Mondi announced average paper price hikes of 8,9% from January 1. It suggested a further 4% increase is possible in April followed by another 6% in July. Sappi Fine Papers MD Bert Ibertson says Sappi hasn't finalised its price increases for the new year but he confirms that steep increases are likely to continue for some time as international demand for pulp grows. "Strikes in British Columbia and Finland, both large pulp producers, are aggravating the situation," he says.

The increases are likely to intensify the bitter feud over tariffs between paper producers and printers (*Business* December 2). The Printing Industries Federation's Chris Sykes is asking Trade & Industry Minister Trevor Manuel to abolish all tariff protection on paper imports or start reducing the average 10% tariff level on paper to 5% over the next five years rather than wait for

FM 23/12/94



*possible increases

the year 2000 before tariffs are reduced. The federation is objecting to a National Economic Forum proposal that effectively keeps tariff protection on paper fixed at 10% for the next five years while tariffs on printed goods are to be lowered, starting next year, from an average 20% to 10% in five years.

Says Sykes: "Local mills blame the excessive paper price increases on international pulp price hikes even though some paper grades have little or no imported pulp. They argue that they are obliged to charge their paper manufacturing facilities the same price they get for their pulp sold overseas — clearly a major advantage of vertical integration."

Paper producers maintain paper users have nothing to complain about as their price increases have been kept below inflation for the past four years. A Mondi spokesman says: "The international pulp price has risen from US$293/t last December to its present high of $680/t. But we have to remember that pulp prices fell from $800 at the end of 1989 and have been low ever since then. The industry is extremely cyclical so we have to recoup our losses during the good times."

He points out the 10% tariff protection on paper is low enough to make imports viable for printers, though he concedes that there is little paper available overseas.

But Sykes says there are other barriers to paper importation which make even a 10% tariff unnecessary. "The weak rand and SA's distance from the major paper manufacturing countries should offer producers sufficient protection in itself." ■

Meat Board forgoes its choice cut

S Times (Buss)

By CIARAN RYAN

THE Meat Board is pressing ahead with plans to privatise some of its functions, but has shelved the idea of transferring R75-million in farmers' levies to fund the new company.

The restructured Meat Board will continue to charge compulsory levies to operate the floor price scheme and other statutory functions "until the industry decides it no longer wants it", according to Pieter Kempen, the Meat Board's general manager.

Mr Kempen says the board will proceed with the privatisation of these functions only with the agreement of the industry and "all relevant parties". He says it will be entirely self-funding.

The Meat Board functions which are likely to be privatised are the pig health scheme, the cattle advisory service, classification and grading, surplus removal, printing and the meat quality mark.

By privatising some of its functions, compulsory levies used to fund statutory obligations could be set at a lower rate. There is, however, growing concern that compulsory levies could run foul of the constitution's right to free trade and free association clauses.

Meanwhile, a new row has broken out with the Organisation of Livestock Producers accusing the Minister and agricultural control boards of acting in a "non-representative, unconsultative and unilateral" manner. (3) meat

Nils Dittmer, executive director of the OLP, says Agriculture Minister Kraai van Niekerk is "batting for the old National Party constituency, made up of powerful farmer lobbies".

In a letter to the Cabinet, the OLP, one of the driving forces behind deregulation of the R10-billion-a-year red meat industry, says the Minister deliberately excluded it from representation on both the Meat Board and the Policy Evaluation Committee investigating the Kassier recommendations into the future of agricultural boards.

Replying on behalf of the Minister, Frans van der Merwe, director-general of agriculture, says: "It was not possible to accommodate all nominated representatives because the present constitution of the Meat Board is limited to seven producers, two butchers, one abattoir owner, one hides and skins dealer and two consumers of meat and offal."

Mr Dittmer says the only reason the OLP was excluded from representation on the Meat Board was because it would make life uncomfortable for the vested interests which run the meat industry.

A key recommendation of the Kassier report was the need to make agricultural control boards voluntary bodies. The OLP says important aspects of the Kassier report have been ignored by the government without explanation.

Mr Dittmer and the Sunnyside Group also accuse the Meat Board of using levies to advertise the red meat classification system "to justify their existence". They say abattoirs which refuse to collect Meat Board levies are being harassed, while a research project funded by the board to justify the present grading system "constitutes either a deliberate attempt to mislead or total incompetence".

Dr Kempen replies that the present classification system — which is used to determine both the price and quality of meat — is based on independent research at the Irene Meat Institute and follows overseas practice.

"The OLP is making a statement to discredit the system without offering an alternative."

4/12/94

Meat producer prices fall . . .

No cut for consumers

CT 30/11/94 (3) MEAT

MAGGIE ROWLEY
Deputy Business Editor

ALTHOUGH the price paid to farmers for mutton in Cape Town plunged 19,4% from July to October following cheaper imports, consumers were paying only 1,2% less at the till, said Stanford farmer and agricultural economist Mr John Nel.

Mr Nel said RSA Lifestock and Meat statistics also showed that while the producer price of mutton had risen by 9,7% between January and October this year, the retail price to consumers was up by a hefty 20,5%.

Hitting back at retailers — in particular Pick 'n Pay joint managing director Mr Gareth Ackerman — who have partly blamed farmers for the large hikes in meat prices this year, Mr Nel said Cape supermarkets had failed to pass on reductions in producer prices.

Owing to the import of cheaper Australian and New Zealand meat, the producer price of mutton fell from R13,38 a kg to R11,70 in recent months.

"However, the supermarkets who raised their voices about how the farmers were giving the consumer a raw deal by 'holding back their animals and enjoying import tariff protection' only lowered their retail price from R24,85 to R24,33."

He said the producer price of beef in the Cape Town area also fell from R10.78 in August to 9,82% in October 1994, but over the same period the retail price at supermarkets increased from R19,15 to R20,27.

Mr Nel said that in an RSA Livestock and Meat statistics price survey of meat prices in Cape Town, the consumer was paying 28% more for beef in October than in January this year.

The supermarkets, he said, had held retail prices down as the producer price they had paid during this period had increased by 30,3%. However, since July the producer price had increased by only 3,3% while the retail price at supermarkets was up 12,93%.

Mr Nel said that on average between 1990 and 1993 the price the farmer received for beef increased by 112% while the retail price rose by 138%.

Similarly the price of mutton rose by 134% in favour of the farmer but the consumer paid 140% more over the same period.

Different

"The farmer in no way benefited from the extra increase that retailers passed on to the consumers but the retailers failed to inform the consumers just who was really responsible for their plight."

In response, Mr Ackerman said that while the prices quoted by Mr Nel did not appear far out of line "one must realise that different surveys produce marginally different results".

"We use the Meat Board Information Booklet, which sets out its information differently."

According to these statistics, he said, the beef producer price rose 35% for all grades between January and September this year while the beef consumer price rose by an average of 29% at all outlets.

For the three-month period between July and September, the beef producer price for all grades rose 9% while the consumer price at all outlets rose by an average of 11%.

Mutton producer prices for all grades rose by 10% between January and September this year while the consumer price for mutton at all outlets rose by an average of 22%.

In the three months from July to September, the producer price for mutton dropped 16% while the price paid by the consumer declined by an average of 0,2% at all outlets.

Mr Ackerman said that in the first half of the year they had had to absorb much of the producer price increases and the meat division had been running at a loss.

"In recent months we have increased our margins slightly but once costs, shrinkage and so forth are accounted for, we are looking at no more than a 1% net profit. It must be remembered that up to 20% of a carcass is lost in fat and bone," he said.

Mr Ackerman said that according to an independent pricing survey which they receive, Pick 'n Pay supermarket price inflation in Cape Town on a selected basket of beef, lamb and pork cuts was running at 21,72% between January and October but dipped to 13,59% between July and October. Since August, he said, their meat prices had fallen by an average of 15%.

Tariffs on meat to be probed

Star 24/11/94

BY ZINGISA MKHUMA
CONSUMER REPORTER

In an attempt to prevent further rises in the price of poultry, the Board of Tariffs and Trade (BTT) has announced an investigation into tariffs on imported meat products.

This comes after retailers and consumer bodies expressed grave concern at escalating meat prices.

It was reported that the price of chicken went up by more than 40 percent in the past 20 months, while red meat increased by about 50 percent since January.

The price of red meat is set to rise even further over the festive season.

The BTT confirmed yesterday it had two applications in hand — one for an increase in the duty on boneless poultry cuts and one asking for a reduction in the duty on edible offal of fowls.

But it had decided to defer a decision on increasing tariffs and to consider it as part of the investigation.

~~2 Poultry~~
3 Meat

Meat prices set to rise this month

Star

Pietersburg — Meat prices — which recently dropped slightly — will rise again over the Christmas season. 9/11/94

Vliessentraal general manager in Potgietersrus Paul Hoogenboezem said yesterday the 10 percent decrease in price was temporary — prices would go up by the end of November.

His prediction was based on shorter working weeks at abattoirs because of holidays and the fact that demand for meat peaked over Christmas.

Drought, which meant that less livestock was reaching the markets, was a contributing factor to meat prices which had shown an increase of about 60 percent this year.

Bertie van Zyl, chairman of the Transvaal Agricultural Union's fresh produce committee yesterday denied that vegetable prices were still increasing sharply. (3) Meat

Fresh produce prices had in fact dropped dramatically and tomatoes were fetching as little as R3 a box on the markets.

The reason for earlier high prices was the drought in the lowveld where crops had been wiped out by black frost. — Sapa.

Closing down Egg Board cost taxpayers millions

Star 22/11/94

POLITICAL CORRESPONDENT

Cape Town — Retrenching employees of the Egg Board cost taxpayers R2,42 million.

The board was one of a bewildering array of bodies kept alive at public expense to regulate various aspects of agriculture and industry.

Some are still in existence, but with changed and reduced roles.

The board was closed with effect from April 30 and its operations ceased on May 31, according to a report to Parliament by Auditor-General Henri Kluever.

Surplus funds totalling R118 097 were put in a trust controlled by the Egg Producers' Organisation for research related to the egg industry.

The Bronkhorstspruit processing plant was sold for R4,2 million and the Galliova building in Constantia Park, Pretoria, for R2,3 million.

Listed among administration costs in financial statements was a donation of R1 million worth of egg powder to an unnamed recipient.

The Meat Board paid a total of R6 199 782 in the 1992/93 financial year to producers from various insurance funds as compensation for carcasses or parts of carcasses which were condemned as unfit for human consumption.

An Auditor-General's report said ministerial approval was given for stopping, with effect from July last year, the collection of insurance levies and payment of compensation for condemned carcasses. (3) Meat

[t] to go to work

A ENSOR

[in]dictments will be out
of November." He
[t]rial would begin ear-

[indic]tments had been con-
the 11 sitting judges,
[a] warrant of arrest
, sent to the relevant
execution and judici-
would start.

[He bel]ieved it was crucial
[i]ts abuses to be offi-
[ju]dged otherwise they
[fo]r decades as victims
[of reven]ge and justice.

[The se]tting up of a tribunal
[a]trocities in Rwanda
[discu]ssed and it was possi-
his tribunal would be
[o]ver Rwanda.

[He bel]ieved, and it was also
[o]n the UN agenda,
[a perma]nent international
should be set up to
[s]erious human rights
[c]ountry.

[He said t]hat it was impossible
[th]e people involved in
[th]e former Yugoslavia
to trial as the atrocities had occurred on too massive a scale.

"Whatever we do will mainly be symbolic. We will have a limited number of trials," he said. The aim would be to take action against the most seriously guilty against whom the tribunal had sufficient evidence to prove beyond reasonable doubt that a crime had been committed.

Those who were responsible for giving orders rather than those who executed them would be targeted. The tribunal would not be constrained by the political consequences of its actions. Penalties could include imprisonment, fines and confiscation of property.

Goldstone said one of the major difficulties facing the tribunal was the fact that a number of government and non-government officials wanted to give evidence on the basis of confidentiality, but tribunal rules precluded this as they obliged the prosecutor to pass on all relevant information to the defence.

He had asked to be allowed to accept confidential information which could be an important source of leads for investigations.

Levy dispute puts Meat Board's future 'in balance'

BDay 3/10/94

LOUISE COOK

THE Meat Board's future was in the balance with the refusal by abattoirs, producers and wholesalers to pay the compulsory levy to the board, sources said.

The Meat Board has urged the industry to resolve the problem surrounding levy payments, the floor price and "surplus removal".

3 Meat

It said it was imperative to find solutions by next year, but care had to be taken not to abolish any system unnecessarily.

There was wide disagreement on who was liable to pay the compulsory levies in terms of the Agricultural Marketing Act.

Another problem facing the board was disagreement about the need for "surplus removal" — the exporting of surplus production. It was seen as too expensive by some feedlots, abattoirs and individual producers, sources said.

The floor price system through which the board ensured meat prices did not drop below certain levels was also rejected by sections of the industry.

SA Meat Traders' Federation chairman Eddie Bielowich supported the marketing system and said the problem came from "those who screamed the loudest but benefited the most".

SA Feedlot Association chairman Ivar Karan said his association had received no complaints from members about levy payments. He supported the Meat Board system and said it helped ensure stability in the market.

Meat Board GM Pieter Kempen said compulsory levies were used to finance statistics, promotions, research and market development and training.

Tourism up after positive news

BDay 3/10/94

THEO RAWANA

POSITIVE news reports on SA, which contrasted with the wave of adverse pre-election publicity, have led to heightened tourist interest from all over the world, says the SA Tourism Board (Satour).

Foreign business travel to SA for July shot up to 14 216 compared with 10 286 recorded in the same month last year. Holiday travellers increased to 36 685 from 30 557 last year, a Satour spokesman said.

Florida, US, commerce department secretary Charles Dusseau presented Satour last week with a proclamation expressing his state's interest in developing bilateral tourism and trade opportunities with SA, the spokesman said.

Satour said in its Quarterly Review that while adverse news coverage preceding the election had led to a marked decrease in the number of inquiries in Europe on travel to SA, the picture had changed for the period from April to June, particularly since the presidential inauguration in May.

UK travellers had shown increased interest in SA, and SAA now had 50% of the market share in Germany, as more consumers took an interest in visiting SA.

Satour said French interest in SA as a tourist destination had increased 25% between May and June. The increase in inquiries in Italy was reflected by tour operator I Viaggi Del Elefante producing a tour programme to SA for the first time.

The picture was much the same in the Netherlands and Israel.

North American levels of confidence in SA as a tourism destination had improved with many tour operators including SA in their packages.

Indications were that SA would have "bumper arrivals" from Australia and New Zealand for the Rugby World Cup. In addition, the Australian Incentive Association would stage its annual conference at Sun City next year.

The effect of the negative publicity SA had been given in Taiwan and Southeast Asia was changing. Japan had gone as far as officially offering financial and other assistance to SA, Satour said.

Visitors from Africa continued to stream into SA with interests ranging from shopping, medical attention, conference facilities, business and entertainment, Satour said.

Christmas rise in meat prices

CT. (3 meat) 9/11/94

PIETERSBURG. — Meat prices — which recently dropped slightly — will rise again over the Christmas season.

Veesentraal general manager Mr Paul Hoogenboezem said yesterday the 10% decrease in price was temporary — prices would go up by the end of November.

His prediction was based on shorter working weeks at abattoirs because of holidays and the fact that demand for meat peaked over Christmas.

Drought, which meant that less livestock was reaching the markets, was a contributing factor to meat prices which had shown an increase of about 60% this year.

Mr Bertie van Zyl, chairman of the Transvaal Agricultural Union's fresh produce committee yesterday denied that vegetable prices were still increasing sharply.

Fresh produce prices had in fact dropped dramatically and tomatoes were fetching as little as R3 a box on the markets.

Except for Northern Transvaal, producers had enough water to ensure crops until next season. — Sapa

MEAT INDUSTRY

FM 4/11/94

Talking to the converted

(3) Meat

Ironic, isn't it? The Meat Board, long a target for reform and deregulation as part of SA's overprotected agricultural sector, has become a champion of change. Not only is it leading the way in deregulating the R10bn-a-year red meat industry, it's even helping to streamline SA's creaking tariff reform system.

Behind the move to embrace free market economics as a comprehensive cure-all is the recent surge in red meat prices.

Meat (red and white) inflation, as measured by the CPI, surged by 34,7% between September 1993 and September 1994 — mainly due to shortages as farmers held back slaughter stock to rebuild drought-depleted herds. Together with an increase in vegetable prices of 51,5% over the same period, the two major food items helped thrust the year's CPI food inflation rate to 21,9%, lifting the aggregate inflation rate to 10,1%.

With the impact of rising inflation on the economy and the effect of higher food prices on consumer spending, public pressure on the authorities to "do something to resolve the problem" is growing. For vegetables, it is accepted that "post-frost" production will soon flood the market and ease prices. But the red meat production cycle is much longer.

With much cheaper beef and mutton freely available on the world market, though, the Meat Board and representatives of the Red Meat Producers' Organisation (RPO) have joined SA's retailers and wholesalers in lobbying strongly for a reduction in tariffs.

RPO vice-chairman Gerrie Greyling says "the lower import duties which now apply have resulted in imports of as much as half of the locally available mutton." As much as 12% of the locally available beef is being imported — thanks to the lobbying efforts of the tariff committee. But the applicants remain frustrated by the cumbersome bureaucratic route that even consensus applications for tariff reductions must follow.

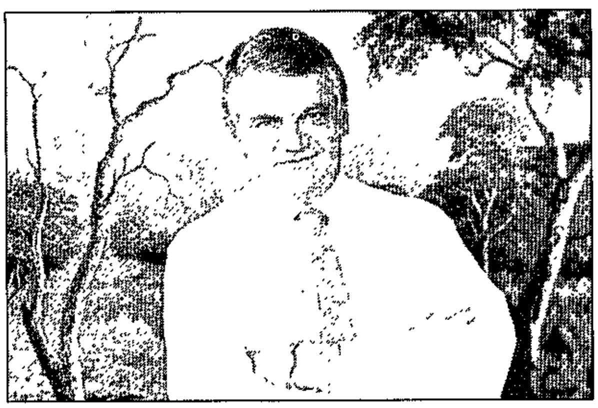
Meat Board GM Pieter Kempen says his board was instrumental in bringing together producers and the trade in a "tariff committee." Though the three parties have reached consensus a number of times on bringing down tariffs on selected cuts of mutton, factory meat and pork, their efforts are being stymied by the red tape of various government departments.

Chief culprit was originally seen as the Board on Tariffs & Trade, which has to administer farm product tariff changes in conjunction with the Customs & Excise Department and the Ministries of Finance, Agriculture and Trade & Industry. But Kempen has narrowed down his rogues' gallery to customs, which he says has been "sitting on" an urgent application to bring down tariffs on imported pork.

Though tariffs on mutton and factory beef have been cut, easing the upward pressure on meat prices, Kempen is concerned that the proposed tariff reduction on pork will not come in time to meet Christmas demand for hams.

"Why can't the Board on Tariffs & Trade (a statutory body like the Meat Board) handle our applications without having to involve three Ministries and Customs & Excise in a terribly convoluted process? Surely the procedures for tariff changes can be streamlined? Delays of up to six months have been experienced in administering our requests to bring down tariffs," complains Kempen.

Board member Reuel Heyns admits the process is "cumbersome" but says legislative changes are needed to speed it up — and minimise the red tape involved. "Meanwhile, we are trying our best to speed up application procedures within existing parameters," he says.



Kempen . . . *tariff applications are too slow*

Customs & Excise has got the message. Deputy commissioner Izak Coetzee says his department is handling the pork tariff reduction case as a "top priority.

"While we might be partly to blame for the delays, other parties also contributed," says Coetzee. "All things being equal, the application should be with the Minister by the end of the week and we might even be in a position to gazette the tariff reduction within the next few weeks."

Kempen says that unless the application is gazetted this week, it will be too late to meet the Christmas rush.

Though Newcastle disease has curtailed poultry production over the past few months, producers are adamant there is no real shortage. They say the outbreak is not the reason for the 40%-50% surge in the price of chickens at retail outlets.

"At producer level, prices increased by only about 14% since the disease struck. But it seems that for supermarket buyers a shortage exists when there is insufficient product around for them to dictate the terms," says one disgruntled producer representative.

Some interest groups, he says, are using the retail price rise as an argument to justify an application for lower import tariffs on poultry. ■

PUBLISHING

The battle commences

The fur is flying again between *Finance Week* editor Alan Greenblo and co-shareholder and former editorial colleague Richard Rolfe. Rolfe, with co-applicant and co-shareholder Lynne Hill (wife of expatriate financier Oliver Hill) has asked the Supreme Court to block the sale to Greenblo of a crucial holding of shares in *Finance Week*'s controlling company, Finance Week Holdings, on the grounds that the sale violates the terms of a shareholders' pre-emption requirement.

When Radio 702 last year took an interest in *Finance Week* the transaction involved the issue of 8 000 shares in Finance Week Holdings to a wholly owned subsidiary, Radio 702 Publications, for R520 000. Including this block, Radio 702 now holds 10 305 shares, or 28,2%, in Finance Week Holdings.

But the deal soon soured and Radio 702 sought to dispose of its holdings. Though the shares remain registered in the name of Radio 702 Publications, the applicants now allege they were purchased by Greenblo — who failed to offer them to the entirety of the *Finance Week* publication shareholders proportionate to their holdings. This is required by Article 89 of the articles of association of Finance Week Holdings — which created the pre-emptive rights.

The applicants say the court should act urgently as they have learnt that Greenblo is busy with another proposed (and secret) deal which would result in *Euromoney* magazine acquiring control of Finance Week Holdings, causing irreparable prejudice to themselves.

In this situation, the fate of the Radio 702 holding is claimed to be critical to control

'Blame govt for meat prices'

Sowetan 24/10/94

By Isaac Moledi

THE Meat Board has accused the Government of being responsible for escalating meat prices — warning of the possibility of increased prices of pork during Christmas, if immediate action is not taken.

Meat Board general manager Dr Pieter Kempen said the board had warned the Government early this year.

Kempen said they said there would be a serious shortage of beef and red meat could be expected.

"We informed the chairman of the Board on Tariffs and Trade in February this year that this shortage could develop into a crisis, should the problem not be addressed in time," he said.

Kempen said the board's recommendation that import tariffs on meat for manufacturing be reduced to R1,75kg instead of R3,50kg, which would be applicable by then, was not accepted by the BTT. (3) Meat

"Under constant pressure from the Meat Board, in collaboration with red meat producers and organised trade, the BTT ultimately implemented our recommendations on 26 August about tariffs on meat for manufacturing.

"The delayed reaction of the authorities caused price crises in the meat industry, especially on the manufacturing side," he said.

He called on the BTT to take immediate action to alleviate the crisis.

"Should the tariffs not be dropped immediately, the consumer will again bear the brunt during December," he said.

Board not bringing home the bacon

B/Day 26/10/94

LOUISE COOK

THE National Federation of Meat Traders yesterday backed the Meat Board's contention that the Board on Tariffs and Trade was dragging its feet on reducing import tariffs.

Federation chairman Tim Davidson said a crisis was developing over the supply and price of pork due to the board's tardiness in responding to industry requests for tariff changes.

"We had a major problem (of getting tariffs reduced in time) to avert a price crisis with beef. We warned the board long before the time," said Davidson. "Exactly the same is happening with pork right now."

Meat Board chairman Pieter Kempen said the Meat Board had submitted an urgent application for the scrapping of pork import tariffs. Receipt of the application had been acknowledged, but no further action had been forthcoming.

Board on Tariffs and Trade chairman Nic Swart said recommendations were communicated to government on September 23, but declined to say what they were.

Davidson also denied Swart's claims that a partial rebate on meat for manufacturing purposes would have been discriminatory and "available only to selected organisations".

Recommendation for a partial rebate came from a group representing all the major importers, who foresaw serious price hikes and agreed to stand together to avert a crisis.

Davidson said it was probably too late to avert a Christmas pork price surge. "If the board had reacted six weeks ago when it received the application we could have started importing cheaper pork. Now it could be too late."

(3) Meat

The SA Meat Processing Organisation confirmed that serious problems were being experienced due to a pork shortage.

Meat prices: Tariff blamed

Staff Reporter

THE Meat Board has blamed the high price of red meat on the Board of Trade and Tariffs (BTT), who failed to cut tariffs on imported meat in time. (3) MEAT

Meat Board general manager Dr Pieter Kempen said they had warned the BTT in January that there would be a serious shortage of red meat. CT 25/10/94

The BTT had not accepted the Meat Board's recommendation that import tariffs on meat for manufacturing be reduced to R1,758/kg from R3,50.

After constant pressure the BTT had eventually reduced tariffs on August 26.

The delay had caused the price crisis, Dr Kempen said.

The Meat Board had urgently applied to the BTT on September 1 to reduce tariffs on pork, but had seen no action.

Star 24/10/94

Tariffs blamed for meat price rise

STAFF REPORTER

The Meat Board has hit back against allegations that it is responsible for high meat prices, blaming high import tariffs for the 50 percent increase in the cost of meat since the beginning of the year.

(3) Meat

Meat Board general manager Dr Pieter Kempen said the inquiry into the high meat price ordered by the Cabinet would exonerate his organisation.

Kempen placed the blame for the high prices on the Board of Tariffs and Trade (BTT) which, he claimed, had not acted on the Meat Board's advice.

"We informed the chairman of the BTT in February this year that shortages could develop into a crisis should the problem (of high tariffs) not be addressed in time," Kempen said.

But he said the board's recommendation that tariffs for imported meat for manufacturing be reduced from R3,50/kg to R1,75/kg were not accepted.

It was ultimately accepted in August but, Kempen said, "the delayed reaction by the authorities caused the price increases in the meat industry".

The delayed reaction had resulted in a shortage of meat, dramatically increasing prices.

Kempen warned that a similar situation existed with pork, and if the BTT took action immediately, it could avoid a shortage and dramatic increase in the price of pork over Christmas.

"The Meat Board submitted on September 1 an urgent recommendation to the BTT to reduce tariffs on pork meat imports from 16 percent to 0 percent. The Meat Board has not seen any action," Kempen said.

We told you so, says the Meat Board

S/Times (Buss)

28/10/94

By CIARAN RYAN and DON ROBERTSON

THE Meat Board came out fighting this week in the war of words over the rocketing price of meat.

The Meat Board accuses the Board on Tariffs and Trade of having refused to drop import tariffs until meat shortages reached crisis proportions.

Ironically, the BTT has been ordered by government to conduct an inquiry into the cause of rising meat prices, which is helping to push consumer inflation to over 10%.

Pieter Kempen, general manager of the Meat Board, says the inquiry could implicate the very authorities who initiated the move.

"Sharp criticism of the Meat Board and the red meat industry is unfounded. We informed the BTT in February that shortages could develop into a crisis, should the problem not be addressed in time.

"The Meat Board recommended that import tariffs on meat for manufacturing be reduced to R1,75/kg instead of the R3,50/kg applicable at the time. This recommendation was not accepted by the BTT."

The BTT only lowered the tariffs on meat for manufacturing on 26 August, six months after it was first warned of a pending crisis.

The BTT replies that it was not prepared to support the Meat Board's request for lower tariffs as it would be discriminatory and available only to selected organisations.

The Meat Board also warns that a pork shortage will result in prices peaking over the Christmas period and has called on the BTT to scrap 16% import tariffs on pork. No action has yet been taken by the BTT.

"Had the BTT acted earlier in the year, we would not have the crisis we now have. Imports could have increased more gradually, and this would have had a stabilising effect on prices," Mr Kempen says.

Meanwhile, Rainbow Chickens, which supplies 50% of the local market, recently imported 1 600 tons of chicken from the US while seeking higher tariffs to stamp out imports.

Jim Sumner, president of the US Poultry and Egg Export Council, said he was surprised at the lack of consumer outrage in South Africa over the application.

"The increased tariffs will raise the cost of one of the country's most important sources of protein and will hit the poor," says Mr Sumner, who visited South Africa this week.

The chicken industry has asked the Board on Tariffs and Trade to raise import duties on deboned chicken by 3 800% to R3,13/kg from 8c/kg.

(3) meat

Rainbow, which confirms that it will slip back into the red in the six months to September after a R17,3-million profit in the year to March and a R76,6-million loss in 1993, was forced to import chicken to meet contractual obligations to companies such as Kentucky Fried Chicken. An outbreak of Newcastle disease wiped out 20% of some flocks, helping to create a shortage of up to 500 tons a week.

Steve Pattinson, marketing director of Rainbow, says the imports were a once-off exercise: "It appears the Newcastle disease is now under control. Supplies should be back to normal early in the new year."

Chicken is being imported at prices of around R3,12/kg. Once duties of 100% and 50c/kg transport costs are added, the R6,75 cost of importing chicken is still below the R14/kg domestic price, which excludes wholesale discounts.

(3) Poultry

Import tariffs blasted as drought takes toll

Meat price resistance rises

Star 18/10/94

■ BY GLENDA DANIELS

An unprecedented 50 percent rise in red meat prices since the beginning of the year has met with increasing resistance and criticism about high import duties on meat.

The Government is in the process of investigating the possibility of reducing meat import tariffs after announcing its intention to do so last week.

Pick 'n Pay managing director Gareth Ackerman said that because of the severe shortage of local red meat, meat had to be imported, but the import duty was "far too high". "We made recommendations to the Government to have tariffs reduced by 20 to 30 percent," he said.

3 Meat

Ackerman said the price of red meat had risen by between 40 and 50 percent. "Because of the shortage, we have to import. If import duties were lower, the selling price would be lower."

Housewives League chairman Lynn Morris said the drought was primarily to blame for the red meat shortage. She said even though there had been some rains recently, which would help grazing, the recovery period could last about 18 months.

"It's simply a question of supply and demand. There is no red meat and this is the reason for the phenomenal price rise." Morris's advice to consumers was to wait until the price eventually fell before buying meat again.

"I don't believe that anyone is profiteering from the situation right now, but I think that to buy a fillet for R45 a kilogram is crazy," Morris said.

Meat Board information systems manager Jerrie Erasmus said the meat price increases had been gradual since the beginning of the year.

Radio 702's consumer expert Michael Jackson believes the solution goes beyond lower tariffs. "Prohibitive tariff structures are stopping us from bringing in cheaper meat. We should be taking advantage of other countries' excess meat," he said.

A spokesman for Shoprite/Checkers said a deregulated meat industry would help to cut prices by creating a free flow of supply and demand. She added that people were now buying the "less expensive cuts of meat".

Imported red meat to be taxed

(3) MEAT

20/10/94 CT

PRETORIA. — Levies are to be imposed on imported red meat "to level the playing field" for local producers of red meat, the Meat Board said in a statement yesterday.

It said Agriculture Minister Mr Kraai van Niekerk had approved a levy of two cents a kilogram on beef, three cents per kilogram on mutton and goat meat and two cents per kilogram on pork. — Sapa

★ Cap

Probe into meat price welcomed

(3) MEAT

CT 18/10/94

Staff Reporter

THE Consumer Council has welcomed the government investigation into meat price hikes which it hopes will bring relief to consumers still reeling under the blows of a vicious recession.

Spokesman Mr Paul Roos said from Pretoria yesterday: "Consumers are hard pressed. In a country where nearly half the potentially economically active population is unemployed, high food prices just make things worse."

But he said consumers had to be realistic.

"Consumers must keep the big picture in mind. There are many complex factors involved in price fluctuation — there have been floods, droughts, frost, a rodent plague and Newcastle disease," Mr Roos said.

He said in a free market system of supply and demand, this meant prices would inevitably rise when products were in short supply.

The Red Meat Producers' Organisation has also come out in support of the government investigation, particularly into the tariff system of red meat.

Vice-chairman of the organisation, Mr Gerrie Greyling, said the current price hikes could not be laid at the door of the meat producers.

"However, there are certain bodies who import red meat illegally for their own profit and who do not pass on the benefit to the consumer," Mr Greyling said.

Warning of 6% meat price rise

PIETERSBURG — Consumers could expect a further increase of at least 6% in the price of meat in the next few weeks, says Koedoesrand district Agricultural Union chairman Gert Ehlers.

Ehlers, who had just attended a Red Meat Producers' Organisation meeting in Durban, said yesterday it was expected the price would not stabilise during the next two years.

He said the demand for breeding cattle had increased and farmers were also holding back available cattle to expand their stock should it not rain soon. B/Day

Only about 38% of normal stocks in the Northern Transvaal had not been sold during the years of drought in the province. 29/9/94

Ehlers also confirmed that large quantities of meat were having to be imported.

Vleissentraal GM Paul Hoogenboezem echoed Ehlers' prediction that meat prices would increase, adding that they might rise even higher than the predicted 6%.

He said in the past meat prices had increased about every 7th year, after which they had stabilised, for example, as in the five years between 1988 to 1993, when the increase was "only 1%".

According to official Meat Board statistics, the Northern Transvaal accommodated about 10% of SA's total cattle population during the 1980s, but the figure had dropped to about 6%. (3) Meat

The price of meat in June to September last year increased 66% in the same period this year. — Sapa.

★ Cape Times, Wednesday, October 12 1994

Cheap imported meat 'snapped up'

3 MEAT CT 12/10/94

Staff Reporter

CHEAP imported frozen lamb and mutton is being snapped up by hard-pressed consumers who are putting red meat "back on the table again", according to retailers.

One Cape Town supermarket is selling imported frozen lamb braai chops at R16,98 a kilo — while local lamb braai chops are selling at R27,98.

Most of the frozen lamb and mutton is being imported in bulk from New Zealand and Australia, where there is a surplus of meat.

According to supermarket butchery buyer Mr Deon Saayman, the cheap frozen meat is of a high quality.

"The consumer is getting so used to getting lamb and mutton at that price and there is a big demand for the meat at such a low price," he said.

Mr Bertie Ackhurst, regional manager of the Meat Board in Cape Town, said that the board had up until 1990 brought in imported meat.

The meat was now imported by wholesalers and importers in the trade, he said.

While the local meat farmers were still suffering the after-effects of the drought, the slaughtering of sheep in the Western Cape had begun.

Prices of local lamb and mutton prices had come down since August — and would continue to go down as supplies increased, he said.

The senior communications manager for the Consumer Council, Mr Daan Kruger, said yesterday that in the long-term it would be preferable to be self-sufficient.

The Consumer Council has not conducted studies of the quality of the meat.

MEAT. – 1995

Shortages: Import of red meat urged

(3) MEAT

PRETORIA. – Controlled imports of red meat should be allowed to alleviate a local shortage, the Consumer Council said yesterday.

Earlier, the Red Meat Producers' Organisation said it opposed the import of live sheep from New Zealand and Australia as it could spread disease and threaten the national flock.

But the council's Mr Daan Kruger said the imports, which must meet stringent health requirements, would be essential as long as farmers could not meet local demand. – Sapa

ET 1/2/95

(3) MEAT

Stop imports, say farmers

PRETORIA. — The Transvaal Agricultural Union has called on the government to stop importing meat until the drought has broken.

"It is in the interests of the population as a whole that the authorities urgently offer support to those farmers who are suffering financially through the current drought crisis," the union said. ARG 4/2/95

"The TAU demands that the authorities ensure meat imports are immediately suspended until the drought crisis has ended."

Sales drives for surplus pork

LOUISE COOK (3) MEAT

THE recent scrapping by the Agriculture Minister of the floor price system for pork would see special promotions and export drives being used to dispose of surplus production, SA Pork Producers' Organisation GM Stoffel Matthis said yesterday. BD 7/2/95

The scheme had guaranteed that all excess pork production would be bought by the Meat Board at a fixed price. Matthis said the removal scheme was scrapped because it interfered with normal market forces and became costly to maintain.

"Producers asked for it to go because there were eventually no further benefits for them or the consumer. The scheme merely perpetuated inefficient production and depleted reserves needed to finance other matters such as promotions," he said.

The change would have no immediate effect on consumer prices.

Matthis said his organisation had requested a compulsory levy of R5,50 a carcass for sales promotion and research to be paid by producers. This was being considered by the Agriculture Minister.

Meanwhile, Red Meat Producers' Organisation GM Gerhard Schutte said the surplus removal scheme for beef and mutton had to be retained for the time being because of the devastating effect of the drought.

Farmers want meat imports halted

3 MEAT

THE Transvaal Agriculture Union called for higher meat prices for farmers during drought periods and slammed SA's participation in the GATT, which requires an end to protectionism among signatories.

Spokesman Nic Opperman said: "In times of surplus SA cannot export because there is no market for our meat overseas. But when we are hit by drought, it is unfair that local producers should have to compete against imported meat."

Asked where this left the consumer, Opperman insisted that producers were entitled to higher prices during drought periods, and said the meat industry needed protection "in the long run".

The Transvaal Agriculture Union called for an immediate halt of all meat imports until the current drought had passed.

The union said stocks had been depleted by the drought.

LOUISE COOK

"The meat industry cannot afford (to slaughter) one more breeding animal. Imports have a devastating effect on prices of calves, cows and bulls — negatively affecting the stock farmer in drought areas."

The meat industry was currently being probed by the Board on Tariffs and Trade.

Board sources said it was not known when the investigation would be completed.

YURI THUMBRAN reports retailers have voiced their support for the import of red meat and chicken, ensuring that consumers can afford the products at competitive prices.

An OK Bazaars spokesman said it was "absolutely necessary" to import meat and chicken.

"SA consumers have been shell-shocked with the number of increases in food over the last year," he said.

By importing meat and chicken, retailers would be able to supply consumers at a lower cost.

Because of high unemployment, many people could not afford food and meat that was becoming more and more expensive.

He said if it was necessary, a low import tariff should be in place to allow retailers to get products at a cheaper price from abroad.

He said importing meat and chicken would prompt local producers to get their house in order and give a better price to retailers.

The Red Meat Producers' Organisation has lobbied strongly against importation of sheep for slaughter from Australia and New Zealand.

Pick 'n Pay Western Cape GM Malcolm Simpson said imported meat had stabilised SA prices. Local meat prices were exorbitant, he said, and SA produce was being priced out of the market.

③ MEAT
FM 17/2/95

THE MEAT IMPACT

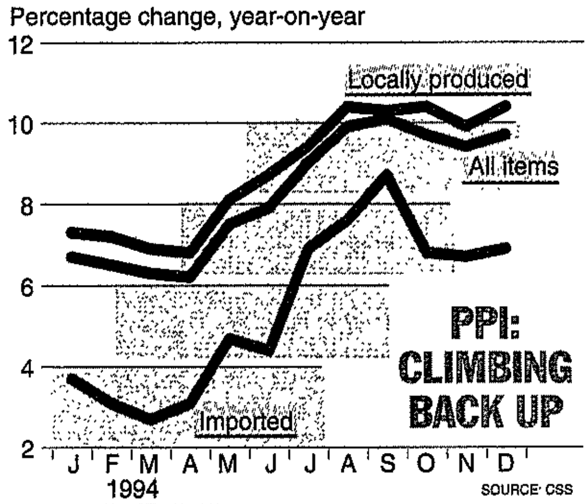
The jump in December producer prices was exaggerated by soaring meat prices. A 1,7% monthly increase in the agricultural sector heavily affected the producer price index — meat makes up almost a third of the 9% agricultural weighting in the index.

The 12-month rate of increase in the producer price index rose to 9,7% in December, the same rate of increase as in October and down from the November rate of 9,4%. The month-on-month increase was 0,6% (November 0,3%).

The food component under agriculture rose 1,3% in the month, or 10,7% over 12 months, chiefly because of monthly rises in the meat component and fruit which rose 18,7%. On the manufacturing side, fresh meat rose a monthly 3,2% and meat products 0,9%. Together, these items make up more than 10% of the overall index and were the main reason behind the 0,7% monthly rise in the index for locally produced goods.

But Nedcor chief economist Dennis Dykes believes food price increases could slow down in January, based on meat auction prices. The auction price for beef — the main input in the meat indices — rose 2,1% in December but fell in January by 1,1%.

This doesn't change the overall picture of increasing pressure on producer prices in the light of higher manufacturing output and rising fixed investment.



Given the lack of capital investment over the years and uncompetitiveness of SA industry, says Tracy Ledger, economist at stockbroker Mathison & Hollidge, "it's surprising prices haven't risen further.

"While higher interest rates will ultimately bring inflation down, it's more important to implement industrial policies which foster fixed investment and improved productivity."

Manuel and meat board in tariffs row

(WP) JOHN DLUDLU (3) MEAT

A ROW over import tariffs on meat has erupted between Trade and Industry Minister Trevor Manuel and the Meat Board after Manuel turned down a request by the board for an urgent duty increase.

Manuel slammed the board's request as "suggestive of the old protectionist, closed economy approach which government is trying to steer away from". The board responded by accusing Manuel of lacking an understanding of the red meat industry.

Manuel issued a statement saying the board had asked that tariffs for lightly salted meat be increased urgently. He could not agree to "an ad hoc change", especially as the board's proposal would increase the price of imported meat by at least R4,97c/kg. "It is not clear how the closing of the particular loophole will provide cheaper meat to the consumer as the Meat Board suggests." BD 24/2/95

He said it was not possible to consider requests for ad hoc adjustments on tariffs for specific red meat, as the Cabinet had already asked the Board on Tariffs and Trade to investigate the tariff dispensation of the red meat industry.

But Reuter reported the board had claimed consumers were losing out on the benefits of reduced red meat prices because a few importers were importing treated mutton for their own financial gain without passing on the benefits.

Board spokesman Pieter Kempen said it was untrue that its proposal would lead to a R4,97c/kg increase. "It will only increase it by 60c/kg."

He said this discrepancy showed that the Minister lacked understanding of what was happening in the red meat industry.

"We are also not talking about salted meat. That was changed last year and the Minister agreed to it. All we want is for government to close a loophole."

While the proposed 60c/kg increase in duty would not directly benefit the consumer, it would close the loophole through which a few importers were gaining an advantage from the current dispensation.

Kempen said the tone of Manuel's statement indicated it would not be worthwhile to make further representations, but the board would issue a statement today.

Meat Board sees red over tariffs

(3) MEAT ST(BT) 26/2/95

By CIARAN RYAN

THE Meat Board has accused Trade and Industry Minister Trevor Manuel of doing an about-turn on import tariffs for meat.

The board says Mr Manuel personally approved a new tariff heading for lightly salted meat, as well as an increase in tariff.

"The minister's allegation that the board requested an increase in this tariff is wrong," says Meat Board general manager Pieter Kempen.

He adds that Mr Manuel's statement gave the false impression that the board had requested higher tariffs on salted meat.

Mr Manuel this week rejected the board's request for the higher tariffs, saying: "I fail to understand how an increase in customs duty could lead to cheaper red meat prices for the consumer.

"The Meat Board's proposal is suggestive of the old protectionist, closed economy approach which government is trying to steer away from."

The Meat Board says it is trying to close a loophole which allows mutton carcasses sprinkled with crumbs to be imported subject to a 3c/kg duty plus surcharge.

If it were brought in as frozen meat, a tariff of R1,50/kg would apply, and not R4,97/kg as suggested by Mr Manuel.

Thousands of tons of meat are being imported by exploiting this loophole without any benefit to the consumer.

The board had asked for a 50% — or R5/kg — increase in tariffs on prepared and preserved meat, and for tariffs on mutton to be reduced from R3,50/kg to R1,50/kg and on factory meat from R3,70/kg to R1,75/kg.

"It is also not clear how the closing of the particular loophole will provide cheaper meat to the consumer as the Meat Board suggests," says Mr Manuel.

The Meat Board says it never suggested the consumer would pay less if the tariff were increased, only that the consumer is not receiving the benefit of tariff evasion.

"In fact, it is indirectly to the detriment of consumers that the minister's Department of Customs and Excise is allowing tariffs to be evaded," says Dr Kempen.

"This loss will continue growing, particularly since the minister sees fit not to adjust the tariff."

The Cabinet had asked the Board on Tariffs and Trade to investigate the tariffs on red meat. Once its report, due for completion in a few weeks, was discussed by Cabinet, revised customs duties would be gazetted, said Mr Manuel.

A total of R200-million in potential income has already been lost to the fiscus through tariff evasion, according to the Meat Board.

Plan to import live sheep

ST(BT) 26/2/95 (3) MEAT

By DON ROBERTSON

THE recently formed United Meat Traders' Association has initiated plans to import up to 55 000 live sheep a month from Australia to counter shortages and rising prices on the local market.

Subject to further discussions with the Red Meat Producers' Organisation (RPO), stock agents, Abakor and the Meat Board, the first shipment could arrive in Durban by the end of April or early May.

At a meeting between the association and the RPO last week it was agreed that solutions should be sought for serious shortages of mutton and lamb, which are particularly acute at Abakor's Cato Ridge abattoir.

Although the RPO is opposed to the importation of live sheep, it agreed to participate in a working group scheduled to meet in the next few weeks.

Association spokesman Shabeer Hoosen says the price of mutton has risen from about R10/kg six months ago to about R17,80/kg because of shortages.

Fritz de Jager, the RPO's industrial manager, confirms that slaughtering of sheep last year fell by about 25% to 100 000 tons from the normal 130 000 tons. About 36 000 tons of frozen mutton was imported.

As an initial step, Mr Hoosen says a new venture capital company, Umzansi Afrika Trading Corporation, has been established to finance the project.

Should the go-ahead be given, the first shipment of between 36 000 and 38 000 sheep will be imported at a cost of R6-million late next month. Should this be successful, shipments will be increased to 55 000 sheep a month, costing R9-million a time. Plans are to continue imports for about three years.

"No final costing has yet been established and a delegation will be sent to Australia in the first two weeks of March. Either way, however, the meat sold from the Cato Ridge abattoir will be considerably cheaper than existing prices," says Mr Hoosen.

The importation of live sheep rather than frozen meat is preferable, says Mr Hoosen, as the customers who buy from the Cato Ridge abattoir are opposed to the frozen product.

Mr de Jager says that although the the RPO disagrees with the association's plans, it has no way of preventing imports of live sheep.

The RPO fears that if the project gets off the ground, it could force many producers to abandon sheep farming and introduce diseases which could wipe out the local herd.

Loophole may have cost R200-m — Meat Board

ARG 2/3/95

LIBBY PEACOCK (3) MEAT
Staff Reporter

A LOOPHOLE allowing meat importers to evade tariffs may have cost the government at least R200 million in possible income to date, the Meat Board claims.

A row has broken out between the board and the Ministry of Trade and Industry, which last week announced that it would not consider requests for *ad hoc* adjustments to the tariff on specific categories of red meat.

The ministry said the Meat Board had proposed that the tariff on lightly salted meat be increased urgently to conteract the "perceived detrimental effect" caused by "a few importers importing thousands of tons of treated mutton for their own financial gain".

But this step would increase the price of imported meat by at least 4,97c/kg and the Meat Board's proposal was "suggestive of the old protectionist, closed economy approach", the ministry said.

Cabinet had requested the Board on Tariffs and Trade to investigate the tariff dispensation of the red meat industry. Once this report had been discussed in cabinet, revised rates of customs duty would be announced.

But the Meat Board said in a statement the ministry's claim that the board had asked for a tariff increase on lightly salted meat was incorrect.

Whole sheep in cartons, covered with a layer of crumbs, were being imported by "certain individuals" under a certain tariff category. This meat carried a tariff of 3c/kg, plus a surcharge on processed meat.

Scheme to bring in Australian sheep

Import plan threat to farmers

(3) MEAT

Star 6/3/95

BY NIKKI WHITFIELD
CONSUMER REPORTER

Plans to import live sheep from Australia have met with opposition from local meat producers who fear they might be forced to abandon sheep farming if the venture is successful.

Another worry is that new diseases could be introduced to South African flocks if as many as 55 000 sheep are shipped across in a move by the newly formed United Meat Traders' Association to combat mutton shortages and bring down meat prices.

Venture

Commodities manager of the Red Meat Producers Organisation Fritz de Jager said the future for local farmers looked bleak if the plan took off and became a long-term venture.

And if producers were forced to abandon sheep farming and wipe out their flocks, the implications for the pharmaceutical industry — responsible for supplying dips and medicines to keep sheep healthy — would also be negative, De Jager said.

"There is a meat shortage, but this can be combated by importing fresh and frozen meat. Last year 36 000 tons of mutton was imported, which almost levelled out the shortage.

"Fresh meat can also be imported at the same tariff as frozen meat, chilled at a temperature of minus 3deg which keeps it fresh and also allows it to mature and become a well-nurtured product.

"Why damage the trust of the local farming and pharmaceutical industries and risk introducing new diseases when shortfalls can be made up via imports?"

De Jager also expressed concern over the transportation method of live sheep. Nearly 38 000 sheep will be shipped from Australia initially if the plan is approved by the Minister of Agriculture Kraai van Niekerk.

The animals would have to be closely monitored and have fresh air, water and feed if they were to be moved humanely, De Jager said.

But United Meat Traders' Association spokesman Shabeer Hoosen said it was not the organisation's intention to put local farmers out of business and claimed the demand for meat at lower prices was growing.

"Masses of South Africans do not own fridges, and the retail industry is also demanding fresh meat. The shortage of fresh meat is affecting abattoirs, and in particular the Cato Ridge abattoir."

He said if the Cato Ridge abattoir was forced to close its doors, the whole meat industry would be affected.

Should the import go-ahead be given, however, the utmost care would be taken to prevent Australian sheep from bringing over diseases.

"Australian health requirements are very stringent and no animal with a disease or history of disease is allowed to be imported. Once the sheep arrive at Durban harbour they will be transported to Cato Ridge in sealed trucks and kept in quarantine until slaughtered."

Hoosen said Australia had special vessels for importing sheep which were air-conditioned, and veterinarians and stockmen accompanied the animals to ensure they arrived at their destination in good health.

3 MEAT

Unitary rand may help cut meat costs

STAR 15/3/95

■ BY JOHN MILLER

Last year's dramatic rise in the price of meat is over, and consumers can look forward to good mutton, lamb, pork and boerewors prices as the cost of meat drops.

Retailers and wholesalers agreed that the dramatic hike in meat prices was over. Prices should continue downwards until the end of winter.

The abolition of the Meat Board's stranglehold on the domestic market, imports and the Government's application of the principles of GATT have led to a free supply of meat into the country.

Imports

From July last year, New Zealand lamb and beef began to arrive in large quantities.

The abolition of the financial rand will also help red meat producers.

It will end "artificial" rises in the price of agricultural land, the Red Meat Producers' Organisation (RMO) said in Pretoria.

RMP president Jannie Fourie said the financial rand had given foreign investors an effective discount on land prices, resulting in unnatural increases.

"The playing field has now been levelled for international and local buyers."

The retail meat industry is worth about R12 billion a year.

Malcolm Baxter, national general manager of Pick 'n Pay Butcheries, said frozen Australian and New Zealand lamb will be back in the freezers within the next few days. Another good buy this week is frozen Irish rump which is virtually half the price of the local line.

Turkey drumsticks are still a bargain at below R9 per kilo while boerewors and pork are also reasonably priced.

Peter Dodson, food director of OK Bazaars, agreed with the trade and said prices should remain stable and possibly come down during the next three months.

He said frozen imports were the best buys at present.

Animal groups in outcry over plan to import sheep

(3) MEAT ST 19/3/95

By DIANA STREAK

SOUTH AFRICAN animal rights groups have objected to "inhumane" plans to import live sheep by sea from Australia to Durban.

The SPCA national council and the South African Veterinary Association (Sava) said they opposed the plan on humanitarian grounds, and Sava has called on the authorities not to allow the importation of the sheep.

"Deaths at sea occur largely because of starvation — the sheep will not eat," said SPCA executive director Marcelle Meredith.

She said deaths also occurred from a variety of diseases and injuries suffered during transport and loading.

Sava president Professor Gareth Bath said overcrowding, trampling, injuries, exhaustion, thirst, hunger, diseases and death would be "real and unacceptable dangers" to the sheep.

Democratic Party agriculture spokesman Errol Moorcroft said the party opposed the move as well, particularly as any shortfall in red meat could be made up by importing frozen meat.

He said the party also objected to the shipping of animals under conditions that were "unacceptably cruel".

There was also a serious danger of importing disease, and he said he was not satisfied that quarantine facilities were adequate.

The Meat Board said it would not oppose the move provided the Directorate of Animal Health gave assurances that no diseases, parasites or viruses would be imported into the country.

The recently formed United Meat Traders' Association wants to import up to 55 000 sheep to South Africa to make up the shortfall in local meat supply and to cater to the Muslim market.

The association's chairman, Dade Hlope, said a delegation would first travel to Australia to meet officials of the Australian Livestock Corporation.

The first shipment would comprise about 38 000 sheep valued at R6-million and, "if all goes well", the number would increase to 55 000, valued at R9-million.

Association spokesman Shabeer Hoosen said he was confident the association would be granted a permit by the Director-General of Animal Health as it had met all the requirements.

Meanwhile, a ship's navigator who served on a livestock ship spoke this week of his disgust at conditions under which thousands of sheep destined for slaughter in the Middle East countries were transported.

During a visit to Cape Town from his home in Britain, Peter Newton said the suffering of the sheep had caused him to quit after three voyages from Australia to the Middle East aboard a Lebanese-owned livestock carrier, the Danny-F, in 1988.

He said the 160 000 sheep had to be converted from eating grass to eating pellets but often, because they were loaded before they were ready, they starved to death during the two-week voyage.

Dead sheep were lifted out of the pens every day and the number increased as the ship passed through hotter climes.

He said the incident that finally spurred him to quit occurred when the Danny-F arrived at the Saudi Arabian port of Damman one afternoon.

"The wind had died down completely, the humidity went up to 99 percent, but they wouldn't allow us to berth until the evening."

Repeated requests to allow the ship to dock so the sheep could be offloaded were refused, and 2 500 sheep collapsed and died in just half-an-hour.

"It was a nightmare. We were steaming around for hours outside and when we finally got alongside we couldn't run the sheep because they won't walk over a dead sheep's body.

"We wanted to get them on the quay as quickly as possible for more air so we were down in the pens trying to push the dead sheep to one side. After that night I said 'that's it'."

Mr Newton said the smell was terrible as the animals lived in their excrement for the entire journey.

Sheep imports could improve meat supply

3 MEAT

LOUISE COOK

BD 20/3/95

MEAT supplies could improve next year if a bid to import slaughter stock from Australia succeeds.

The United Meat Traders' Association, representing black stock farmers, would spend R6m to obtain 38 000 sheep for slaughter from Australia by June, spokesman Shabeer Hoosen said.

"We will apply to the Agriculture Department next week to grant a special permit to import the live sheep for slaughter by June."

The Red Meat Producers' Organisation, representing 26 000 stock farmers, would oppose this, asking the Board on Tariffs and Trade to introduce an import tariff on live animals, GM Gerhard Schutte said.

The association's move would "wreck the local meat industry" because Australia would in effect be dumping products in SA. "At the moment there is no tariff on the importation of live animals. But the organisation will draw up proposals on the 22nd of this month to apply for a tariff from the board."

Schutte said the organisation was not opposed to importing fresh meat, but live animals would spread disease among local livestock. It was impossible for the authorities to excercise proper control.

Hoosen said the move would ensure that abattoirs such as Cato Ridge and Chamdor, facing closure because of stock shortages, could carry on with their operations.

The importation of any live animal was illegal unless stringent health and hygiene requirements, set down by the Agriculture Department, were met.

It was expected the import permit would be granted by Agriculture Minister Kraai van Niekerk, sources said.

NEWS

Decision on permit set to take some time

3 MEAT

Outcry over sheep import application

STAR 21/3/95

■ BY NIKKI WHITFIELD
CONSUMER REPORTER

An application for a permit to import live sheep from Australia will be lodged with the Directorate of Animal Health tomorrow, despite a nationwide outcry from animal rights groups and sheep farmers.

Shocking descriptions of conditions that sheep are forced to suffer while travelling long distances at sea have been outlined by the animal welfare lobby.

Sheep for import have to be converted from eating grass to pellets, and since many are not given enough time to adapt to the change, deaths from starvation on ships are frequent.

Nevertheless, Shabeer Hoosen, of the recently formed United Meat Traders' Association, said yesterday his organisation would go ahead with the application to import sheep.

The association has plans to import up to 55 000 sheep to combat fresh meat shortages and bring down mutton prices.

Local meat producers and wool growers have come out strongly against the plan, fearing that demand for local products would decrease and that foreign diseases could be introduced into their flocks.

Marie Eekhout, chairman of the national council of the SPCA, said importing live sheep from as far away as Australia was a "total disaster from a welfare point of view".

SPCA chairman says importing sheep by sea from as far away as Australia is 'a total disaster from a welfare point of view'

"Because Australia is such a vast country, sheep could travel for four days before they're even loaded on to the ship. Loading and offloading also takes a long time, and then they'll still have to be transported from Durban harbour to their destination at Cato Ridge abattoir.

"And sheep are funny creatures. They're used to grazing out in the veld, and many don't take kindly to being fed pellets at sea. If they don't like the food, they won't eat it, and they'll starve themselves to death."

She said it was not unusual for on-board fatalities to reach 7%. Sheep also suffered from seasickness, frequently losing their balance. When the ship was not in motion, ventilation was also a problem.

Director of Animal Health Dr Paul Bosman said that because of the extreme sensitivity of the issue, it was likely to take a while for the application to be granted or denied.

"Ultimately, it will be the minister of agriculture's decision to give the application a yay or a nay," he said.

Department of Agriculture Director-General Dr Frans van der Merwe last week described the shipping of live animals over long distances as an "archaic method unsuited to modern times".

"The department cannot give this method its approval or support. Slaughtering animals close to their place of origin and transporting the meat while using modern refrigeration technology is more acceptable."

Hoosen denied claims that the project had been formulated chiefly to cater to Muslim needs, saying much of the demand for fresh meat came from the South African "masses" who did not own refrigerators.

"Should the permit be granted, we will send a delegation to Australia on a fact-finding mission to look closely into the business of importing sheep. We are the last ones who want to see the sheep coming into this country in anything but excellent condition," he said.

INTERPELLATION

The sign * indicates a translation. The sign †, used subsequently in the same interpellation, indicates the original language.

Import tariffs on red meat: Measures to stop circumvention (3) MEAT

1. Senator J A JOOSTE asked the Minister of Agriculture: Hansard 4/4/95

Whether he or his Department intends taking any measures with a view to stopping the circumvention of import tariffs on red meat products; if not, why not; if so, what measures?

S140E.INT

*The MINISTER OF AGRICULTURE: Mr President, the answer to the interpellation is, yes. South Africa is, like all the other signatories of the GATT, in the process of implementing the agreement by replacing the abolition of quantitative restrictions with tariffs, also with regard to the importation of meat. It is dealt with in a responsible manner to ensure that prices are closely related to the market, which will obviously be to the advantage of the consumer. At the same time the long-term viability of sustainable agricultural production will have to be borne in mind, and the Department of Agriculture is looking into this.

Unfortunately there are loopholes in the tariff system and much evasion takes place in the process. The Minister of Agriculture is obviously worried about the dishonest way in which import tariffs on red meat are being evaded in some cases. An extremely blatant example is currently taking place in the case of frozen mutton, which normally carries an import tariff of between R1,50 and R4,00 per kilogram, and which is now, after a handful of breadcrumbs has been sprinkled over it, being imported legally at a tariff of 3 cents per kilogram.

This is being exploited as far as I am concerned. The benefit is also not being passed on to the consumer. This is about profit which people are making for themselves and the industry is being inconvenienced more and more. This evasion of the tariff code holds no advantage for the South African consumer or the Exchequer. The Exchequer is losing a considerable amount of money and the process is being undermined. At the same time the evasion of the correct tariffs is clearly enriching only a small group of people.

The meat industry has, quite justifiably, registered a strong objection to this situation. They have submitted examples of particular products to the Minister of Trade and Industry. Without a doubt, blatant deception is taking place. My colleague the Minister of Trade and Industry has already ordered a complete investigation of the situation and emphasises that a comprehensive approach in the meat industry is more appropriate than corrections in an ad hoc manner. As far as I know, this investigation is already in its final stage.

I would like to add that the Commissioner for Customs and Excise is virtually powerless to intervene as a result of the absence of an acceptable definition of this product, which would also be defendable in a court of law. Together we have now decided on practical measures which will compel the exporting country to make available documents with technical descriptions of the meat. Once this comprehensive investigation by my colleague has been completed, I am certain that the Board on Tariffs and Trade will place a tariff on this to eliminate the loophole in question.

Other problems and cases of evasion have already taken place. The full process of levying tariffs will have to be adapted continually, because the moment a tariff is fixed, people try to evade it, and indeed to their own disadvantage.

*Senator J A JOOSTE: Mr President, I listened to what the hon the Minister said about tariff protection, and we do not have a problem with that. He said it would take place in a responsible manner. That is precisely where the problem lies and it has necessitated today's interpellation. In this way we can publicly look at precisely what is happening here.

I am very grateful that the hon the Minister of Agriculture has told us that he is concerned about this matter. Here and there I would like to elaborate on the influence that it is, in fact, having on the meat industry. It is true that the Red Meat Producers Association has submitted a document to the Cabinet in relation to this whole issue and that a decision about that is being awaited.

The fact is—as the Minister said—that thousands of tons of so-called processed meat are being imported, on which the import tariff is merely three cents per kilogram as opposed to the R3,70 that is imposed on fresh or frozen meat. This is not processed meat, but cuts from the carcasses of old sheep that are surplus in Australia. The meat is sprinkled with a handful of breadcrumbs, so that it will qualify as processed meat to foil the tariff structures. More than 2 400 kg of this meat is currently on its way to South Africa. A recently released report points out the great health risk that this crumbed meat can have for the consumer. The meat is contaminated with organisms that can cause dangerous diseases in people. Such contaminated meat should not be allowed into the country, because it is not suitable for human consumption. We must act swiftly and effectively to stop this practice.

The evasion of the appropriate import tariffs on fresh or frozen meat has serious consequences for the red meat industry in South Africa. Large parts of the country's agricultural land consist of grazing that can only be used for the production of meat. Unfair competition could destroy the industry. The State loses up to R200 million annually as a result of tariff evasion. The essential problem that demands urgent attention is the following: Tariff structures for the importation of red meat must be simplified so that they can be practically and effectively applied, with minimum policing.

Tariffs are also evaded through product manipulation. The Department of Customs and Excise is not capable of policing discount provisions, and they do not want to allow the Meat Board to do the inspections on their behalf. As I said, a simplified tariff system is necessary . . . [Time expired.]

Senator E K MOORCROFT: Mr President, the DP would like to associate itself with the concerns expressed by the hon Senator Jooste. The red meat industry is one of the most important branches of our livestock industry. Should this industry, therefore, be damaged by unscrupulous agents and dealers who seek in this dishonest fashion to circumvent the law, then it would be to the detriment of the entire industry. It would also be to the detriment of the country. As we have just heard, there are fairly massive amounts of revenue that are being lost in this way.

We believe that if dealers in the red meat industry want to change the regulations or conditions controlling the importation of meat, then they should do so honestly and transparently after due negotiation with all interested parties. We would urge the hon the Minister of Agriculture and all concerned to do whatever is necessary to put an end to this dishonest and unsatisfactory practice.

Senator P POWELL: Mr President, the IFP shares the concerns expressed by the two previous speakers about the irregularities which have arisen in this field.

The question which arises is not so much whether regulation is necessary, but whether the blatant violation of such regulations can be allowed to continue.

We welcome the assurances given by the hon the Minister of Agriculture that this is being looked into. The public, consumers and producers must be protected against unscrupulous dealers who are circumventing the regulations. The matter must be resolved as soon as possible in the interests of both the consumers and the producers.

*Senator Dr P J GOUS: Mr President, as regards this matter, the FF associates itself with what Senator Jooste and previous speakers have said in this regard. For our part we would like to request that active steps be taken here.

I would like to ask hon senators a question. A figure of 2 400 kg was mentioned here, and if one talks about R3,70 per kg, one simply has to make a little calculation for oneself. These days everything is expressed in terms of houses. When one looks at what is being evaded here, one can simply work out how many houses one could build with it! I think that if there are rules, people should stick to those rules.

Secondly, of course, the problem has nothing to do with organised agriculture. It actually falls under a different department. We therefore want to say to the hon the Minister of Agriculture that as far as this House is concerned, he has our party's full support to take this matter up with the other department.

Finally, it is necessary for organised agriculture's voice to be heard loudly and clearly in this regard in this House.

*Senator A E VAN NIEKERK: Mr President, a perception exists among the masses that when meat can enter the country more cheaply, in whatever manner, that cheaper tariff filters down to the consumer. This is a perception that did not take root among the masses by itself. It must have come from somewhere.

I am very glad that the Minister expressly told us today that that decreased tariff, that cheaper meat and that saving is not filtering down to the masses or the consumer. We are also glad that the Minister of Trade and Industry is going to plug the loopholes to the benefit of everyone in this country, and also to the benefit of agriculture.

Senator M MOHAMED: Mr President, we in the ANC favour anything that will improve the living conditions of our people. In 1991, more than 780 000 tons of red meat were consumed in South Africa, of which 712 000 tons were produced locally and only 68 000 tons were imported.

I believe that the importation of meat can be reduced by improving local production and by bringing young farmers on board. Since local production cannot be improved overnight, the importation of red meat is still a necessity. The production of red meat cannot be viewed in isolation. As an industry it is influenced by the welfare of agriculture in general. The new South African consumer is therefore of paramount importance to the red meat industry for its survival into the next century. Red meat consumption in South Africa is, to a large extent, determined directly by supply, since everything that is produced is consumed. My main question is whether we should increase the import tariffs on red meat, or whether we should reduce them, and how . . . [Time expired.]

*Senator J A JOOSTE: Mr President, I would just like to s... clearly, in case a misunderstanding should arise about this, that no industry in agriculture can afford to price itself out of the market. The interests of the consumer and agriculture are closely associated because without the consumer agriculture could not exist.

This is therefore a very urgent action that affects many people. In South Africa agriculture provides work for at least 1 297 million agricultural workers. That means that agriculture also supports at least 6 million other people who are dependent on the agricultural workers.

If we allow the dumping of agricultural products in South Africa, even if it is as a result of ineffective tariff protection practices, an industry such as the red meat industry could be disadvantaged to such an extent that it would scarcely be able to develop once again into a self-reliant industry that can help to provide the country's people with protein and maintain the country's scarce grazing resources by means of good utilisation.

Animals such as those that are currently about to be imported into the country, and that are surplus from other countries, must not find a market in South Africa. One is very concerned when one thinks about the effect that will have. If the idea develops in certain circles that agriculture and particularly red meat producers do not qualify for a profit, then South Africa is headed for greater unemployment, one large squatter camp and unbelievable poverty.

Hon senators need only think about the interior of South Africa where millions of people in large areas of the country are dependent on the red meat industry being able to utilise the local resource, namely grazing effectively. On top of that the country's grazing resource will be completely destroyed as a result of inappropriate utilisation and bad management. I am therefore glad that the Minister of Agriculture has told me he will take active steps to liaise with his colleague so that we can stop this practice as soon as possible, because it has tremendous implications for the agriculturists and everyone in South Africa who is dependent on agriculture.

*The MINISTER OF AGRICULTURE: Mr President, at the outset I would just like to thank all the senators who are dealing so responsibly with this important matter.

As far as the remark of Senator Jooste about health problems is concerned, I can say that the department for its part will act decisively in relation to any meat which comes into the country and which may enter the market more cheaply, but which may make people sick. This will not happen. We will apply our health regulations and if anything at all like this is found, we will prevent that meat from coming onto the market. We have done this before with other products, especially with dairy imports which were contaminated with brucellosis, Malta fever or TB. Then we stopped it. We are therefore very vigilant in this regard and we will ensure that it does not happen.

It is also important that we take note of the fact that South Africa is always a net importer of meat. We produce only 85% of our own meat and the other 15% comes from our neighbours, namely Namibia, Botswana and Swaziland. At the moment we have a shortage. In Australia there is a surplus of adult, old sheep. They do not use them.

†Here is my reply to the question asked by Senator Mohamed: If we were to import the cheaper meat, we would destroy our own industry in South Africa. We would then lose more jobs in South Africa. The meat industry is the biggest agricultural industry in South Africa. It contributes in the vicinity of R8 billion per year to our total economy. If we destroyed it and bought the sheep from outside during normal years, then the job opportunities that are normally created in South Africa would be created in the other country and not in our country. Then we would suffer. We would then have a greater problem.

We must therefore find a balance and in times of shortages lower that tariff to get the best benefit without destroying our own industry. When we are self-sufficient we can have a general increase again so that we can regain the balance without exploitation from our side.

It is important that we maintain our industry in the drought years, because when the normal years come we must have the benefit of that for our own consumers.

Debate concluded.

QUESTIONS

†Indicates translated version.

For oral reply:

Questions standing over from Tuesday, 28 February 1995.

Lease agreement: Westlake, Cape Town

*12. Sen C R REDCLIFFE asked the Minister of Public Works:

Whether his Department has concluded a lease agreement with a certain institution situated in Westlake, Cape Town, the name of which has been furnished to his Department for the purpose of his reply; if so, (a) when was the agreement signed, (b) for what period was the agreement concluded, (c) what monthly rental was agreed upon and (d) who signed the agreement on behalf of (i) his Department and (ii) the said institution?

S24E

The MINISTER OF PUBLIC WORKS:

Mr President, before replying to the question I would like to apologise for not being present last week. I only discovered this morning that communication between my office and the Senate was a problem. I was on official business in Durban, during the President's Small Business Conference. I would like to reply to Senator Redcliffe's question as follows:

No. The Department of Housing of the former Administration: House of Representatives, on behalf of that Administration's Department of Welfare, entered into a lease agreement with the "Ark City of Refuge" of the Ark Christian Ministries Church;

(a) 31 March 1994.

(b) 1 July 1992 to 31 May 2002.

(c) R100 plus all municipal rates and taxes, as well as charges in respect of water and electricity consumption, sanitation and refuse removal.

(d) (i) An official of the Department of Housing of the Administration: House of Representatives;

(ii) the Chairman of the "Ark City of Refuge" of the Ark Christian Ministries Church.

The Department of Public Works has been administering the lease agreement since February 1995 when the relevant documentation was presented to the Department by the Administration of the Western Cape Province.

The accommodation provided by the "Ark City of Refuge" forms part of an investigation of the entire Westlake site, with which I will deal in my reply to Question 13.

Guide plan: Westlake area

*13. Sen C R REDCLIFFE asked the Minister of Public Works:

(1) Whether his Department has commissioned a guide plan for the Westlake area; if so, when;

(2) whether any recommendations have been made in this regard; if so, what is the purport of these recommendations;

(3) whether he will make a statement on the matter?

S26E

The MINISTER OF PUBLIC WORKS:

(1) Yes. Consultants were appointed in May 1993 by the Department of Public Works to prepare a Master Plan for a portion of State-owned land known as Westlake, situated in the southern end of the Constantia Valley;

(2) Yes. The consultants recommended, *inter alia*—

(a) that the Westlake site be developed for institutional purposes (preferably some form of tertiary educational facility) as primary use;

(b) that the informal housing settlement be upgraded and some form of housing associated with the recommended primary use, be provided.

(3) In February 1995 the same firm of consultants were appointed by the Administration of the Western Cape Province to identify a permanent location or locations for all the "homeless" people in the Westlake area. The objective is to identify the most viable land options to the satisfaction of all parties concerned. The consultants presented a draft report in March 1995.

Various role players are presently involved in the situation at Westlake and, in view of the draft recommendations of the consultants, it will first have to be determined where the responsibility lies to implement development proposals for the Westlake site.

I intend calling a meeting of all parties concerned which will include the National Departments of Housing, Welfare, Land Affairs and Public Works, as well as the Provincial Departments of Housing, Welfare and Public Works, to discuss the Government's approach to the proposed development.

The beneficiary community and the surrounding resident organisations will be given every possible opportunity to express their views and wishes for the development of the Westlake site.

New questions:

Task groups: experience/training/knowledge

*1. Sen A E VAN NIEKERK asked the Minister of Arts, Culture, Science and Technology:†

(1) Whether there are any persons serving in his Department's task groups who have substantial experience, training and knowledge in respect of the performing arts in the Republic; if so, (a) who are they, (b) what such experience, training and knowledge does each of these persons have and (c) in what task groups do they serve;

(2) whether he or his Department is making use of any other institutions to advise him or his Department on the performing arts; if not, why not; if so, which institutions?

S97E

The MINISTER OF ARTS, CULTURE, SCIENCE AND TECHNOLOGY:

(1) An Arts and Culture Task Group consisting of 23 experts was appointed to assist in the shaping of a policy on arts and culture

CT 7/4/95

Imported meat 'below standard'

3 MEAT

JOHANNESBURG: The Meat Board is considering legal action to prevent the importing of crumbed mutton from Australia after tests revealed the product may not conform to legal requirements.

Board manager Dr P Kempen said the Australians had abused loopholes in the law, using peppercorns to disguise it as a "herbed" or "prepared" foodstuff, and adding vinegar to make it "preserved meat". — Special Correspondent

(3) MEAT (~~[illegible]~~)

Imported crumbed meat targeted

BY SHIRLEY WOODGATE

The Meat Board is considering legal action to prevent imports of crumbed meat from Australia following reports it might not conform to legal requirements.

Board manager, Dr Pieter Kempen said the Australians had tested a number of loopholes in the law, first by the use of peppercorns to disguise the product as a herbed or prepared foodstuff, then by the addition of vinegar to fit into the preserved meat category.

STAR 7/4/95

Aussies hit at 'horrific' meat tariff

(3) MEAT

The Argus Foreign Service

MELBOURNE. — Australian meat producers today hit out at what they described as the "horrific" tariff imposed on imported mutton by the South African authorities.

"It is the highest in the world, it is imposed despite booming demand and there is no way it can be justified", declared Mr Kevin Sheil, the executive director of the Sheepmeat Council of Australia.

Mr Sheil was commenting on a controversy which has arisen in South Africa after government inspectors there found that peppercorns had been lightly sprinkled over frozen mutton so that it could be classed as "processed meat" and so avoid the tariff.

ARG 12/4/95

He admitted this had been done, but said it was at the request of the South African importers.

He said the situation was a fiasco.

Sheep import ban sought

The national council of the SPCA is trying to block bringing in 34 000 live sheep from Australia.

The group says the importation will subject the animals to suffering and cruelty. The possibility of getting old stock could also result in indifferent meat.

"Apart from the cruelty, the suffering and stress that the sheep will have to undergo, there is a risk that old stock will be imported to South Africa," said the society's Marie Eekhout.

"The national council needs the support of South Africans to assist it in putting a ban on the importation." — Sapa.

(3) MEAT ([redacted]) Star 26/4/98

DIAGONAL STREET

(3) MEAT + ~~Poultry~~

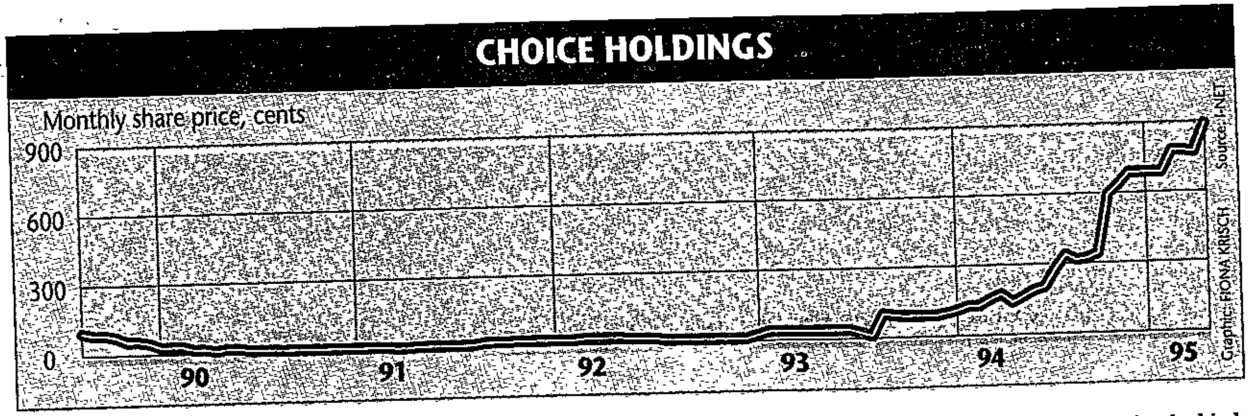
Choice puts meat on its bones

CHOICE Holdings, changing hands at 850c this week after improved results and on a cautionary to shareholders, could be had for a mere 15c a couple of years ago and 150c only 12 months back.

It listed, pathetically, on the development capital market in 1987 as Mighty Meat Holdings. It is too long ago for me to remember the details but the share fell foul of some skulduggery and its tarnished image could not be repaired when control passed to the current chairman, Johnny Limberopoulos, in 1989.

Nor could its performance initially, but the meat and chicken group picked up well enough to earn a transfer to the main board last August, since when several acquisitions and changes now place the group on an attractive forward yield, if the forecasts of sponsoring stockbroker Davis Borkum Hare are to be achieved.

Despite a tough year to February 1995, during which riots in Bophuthatswana resulted in the burning down of five butcheries and the incidence of Newcastle disease among poultry took its toll, Choice managed to lift earnings by 232% to 69c a share and a scrip dividend or cash alternative of 29c was declared.



Choice holds half-shares in two businesses. Together with the Northwest provincial government it owns Agrichicks, a chicken-farming operation. Agrichicks currently supplies 355 000 frozen birds a week, which it aims through lower mortality and improved efficiency to push to 580 000 birds by November.

Agrichicks has established a breeding farm where stock is reared and mated for fertile eggs. These are hatched and subcontracted out over a radius of 150km as day-old chicks to farmers who raise them to sell back at 42 days. The farmers buy chicken food and veterinarian supplies from Agrichicks and carry the risks of raising the birds. On repurchase, the birds go to Agrichicks' Mmabatho processing plant.

Mr Limberopoulos says that spreading the chicks over a large area instead of the 1 200m² of the hatchery has been carried out for eight months and is the main reason why the airborne Newcastle disease has not devasted Agrichicks.

Choice's other investment, jointly held with Yabeng, is CIC, to which there are four divisions. Caterchoice is a meat and poultry wholesale trading company with its own cold stores in Wynberg near Johannesburg.

Mighty Meat Butcheries has 41 stores across the country housed within supermarket chains. MMB bought 21 shops from Foodcorp's Kanhym Supermarket Butcheries in December.

Sangiro buys day-old chicks, grows some and farms out others for rearing and sells fresh birds and value-added chicken. It currently slaughters 88 000 a week, which should rise to 125 000. It will also install a freezer unit at Broederstroom.

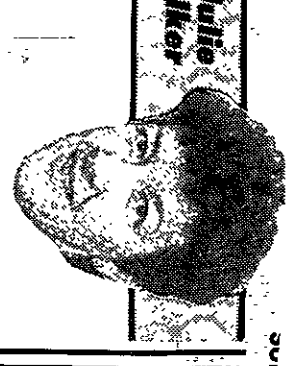
Fourthly, Taurus produces and distributes processed meats such as polony, frankfurters, meat loaves, bacon and smoked products.

Choice has come to fore with a rush after an acquisition spree starting with Agrichicks and then this year, Sangiro for R16,2-million, Taurus for R3,8-million and the Kanhym butcher shops for R5,7-million. Taurus was onsold to CIC for R8-million. Choice's long-term liabilities doubled to R14-million during the year.

Davis Borkum Hare forecasts earnings of 160c a share in the current financial year and 250c for 1997, putting the share on forward price:earnings ratios of five times and three times respectively. Net asset value at February 28 1995 was 284c a share and long-term gearing was 123%. The company has become a strong cash generator — cash-flow per share was 38c in the last financial year.

ST(BT) 30/4/95

Choice offers no breakdown of contribution from each division to either turnover or profit, other than to mention R80-million of the R314-million turnover came about through arms' length inter-company business.



MEAT + ~~Poultry~~

This week's cautionary may herald an entry into the canned meats market by Taurus, as broached in the 1995 annual report. Acquisitions will be paid for through the issue of shares.

There is no five-year review in the annual report so the path of history cannot easily be traced by shareholders. Information on the extraordinary items is also inadequate.

The annual results, published on April 24, were mysteriously dated April 19 — some must have been privy to them before their general release as the share price added 75c to 850c in that period.

While Choice's prospects have taken a turn for the better, I would be a careful traveller on the road to Damascus.

Chance to buy Choice at a poultry price

CT (BR) 30/5/95

(3) MEAT

ON DIAGONAL STREET

BY JOHN SPIRA

The chicken and meat processor has trebled EPS, but is still undervalued by the market

The shares of meat and chicken processor and distributor Choice Holdings have to be undervalued following the recent release of results for the year to February 1995.

Earnings a share rocketed from 20,76c to 69,09c before extraordinary items and from 56,03c to 115,10c after extraordinary items.

Reductions in chicken fatalities were primarily responsible for the sterling performance, which, most importantly, is being extended into the current financial year.

John Limberopoulos, chairman, has taken the bold step of predicting that 1995-96 earnings will reflect continued rapid growth.

Analysts have interpreted his remarks to imply that the figure will advance by a formidable 132 percent to 160c a share — a forecast which no doubt contains an element of conservatism.

Given so promising an outlook, one would have expected to find the market discounting the considerable improvement. Yet the 3,2 percent dividend yield and 13 price-earnings multiple are way inferior to the averages for the JSE's food sector — 2,3 percent and 20,5 respectively.

And the rating gap expands into a chasm when the fundamentals are calculated on the projected figures, which indicate a prospective dividend yield of 5,3 percent and a price earnings of 5,6.

Why hasn't the market taken the cue?

Most likely it's wary of the possibility of a recurrence of Newcastle disease which decimated the chicken population more than a year ago.

The company has taken careful measures to guard against such an eventuality, but it must be conceded that chicken farming contains an above-average element of risk.

Be that as it may, even if the optimism falls short of expectations, the shares are far from expensive, especially considering that the balance sheet is strong.

□ □ □ □

The "analyst" word shouldn't be lightly used. A great many stock market amateurs consider themselves analysts on the dubious ground that they cast a cursory glance at published figures and go on to draw weighty conclusions.

There's much peril in so superficial an approach to the stock market, since it can lead to decisions based on the incorrect premise.

A case in point is the recent release of Citizen Bank's annual figures for the year to March 1995.

When a company releases its results, it usually sends the financial press a copy of the official interim or preliminary report accompanied by a press release which summarises and embellishes on the announcement. Almost invariably the release highlights the positive aspects of the company's performance while downplaying the negatives.

I don't have a problem with this. After all, the JSE's listed companies pay good money to public relations firms to interface with the press and they're not likely to write cheques to firms which trash them — no matter that a trashing is sometimes warranted.

The problem, rather, lies with those labelling themselves analysts whereas all they do is consider the press release at face value. Citizen's press release was unaccompanied by the official preliminary statement, which should have been sufficient to set the analytical warning bells ringing.

The first paragraph of the release read: "The Citizen Bank Group's pre-tax profit increased by 45,5 percent to R15,4 million during the past financial year." Elsewhere, it revealed that earnings per share had risen by 33,8 percent and the dividend by 61,8 percent.

Generally speaking, comparisons of this nature relate apples to apples. In Citizen's case, a pear crept in. How come? Because the 1994-95 profit and earnings increases are calculated on the activities covering a five-and-a-half month period ending March 31 1994 grossed up to 12 months.

Nowhere in the release is attention drawn to this — an oversight which could have been misleading.

In the event, the comparisons were reasonably truly stated. A full understanding was, however, lost without the information necessary for appreciation of the nuances.

I raised the issue with Edgar van Deventer, chief executive, who acknowledged that the press release should have contained the requisite explanation. He excused the oversight by reference to the difficulty involved in explaining the adjustment procedure.

Not good enough. It's the duty of every listed company to inform the investing public of all the facts; it's the duty of the investor to interpret them.

US farming drive threatens SA

(3) MEAT + POULTRY

Louise Cook

BD 6/6/95

A DRIVE by US farmers to regain dominance in the global agricultural market by putting 16-million hectares back into production would threaten the SA poultry and meat industries, according to a report in Standard Bank's latest Agri Review.

The report said the land had been part of a US government incentive scheme to limit production, but it had cost farmers income earnings and export market share.

SA agriculture would be "directly affected" by changes in the US Farm Bill. One of the most important issues being debated was whether to return 16-million hectares to production.

The report warned that additional grain, oilseeds and animal production on the land would increase produce on the world market and drive prices down.

"This will increase competition in the SA market (at a lower dollar price) especially for poultry, but it would also affect the meat industry."

The report said SA was included in the US export enhancement programme for grain and oilseeds. US exporters would be in a position to claim lucrative export subsidies on any exports to SA.

It said federal government support to US farmers amounted to R33,1bn last year — more than the total value of SA agricultural production.

But US agricultural attaché to SA Jim Benson said it was too early for concern about the possible outcome of the Bill.

Reinstatement of levy urged

SA pig farmers hit by imports

(3) meat

Star 6/6/95

BY NIKKI WHITFIELD
CONSUMER REPORTER

The influx of imported pork products is having disastrous effects on the local industry, with many farmers fearing they will go out of business unless an abolished import levy is reinstated.

In a bid to get rid of their surplus pork, a group of pig farmers will be selling carcasses wholesale from the Benoni abattoir to the public.

But what is so ironic is that the import levy they want back so desperately was scrapped by SA pig farmers themselves at a time when pork was in short supply and demand was high.

"Pig farmers were too kind to the public and to the import industry, and that was a mistake," said Thys Lourens, a Delmas pig farmer and a member of the SA Pork Producers' Organisation.

Farmers called for the levy to be scrapped in September last year, envisaging an increase in demand for pork and pork products as Christmas drew near. The levy of R1,40/kg was scrapped,paving the way for outside producers to bring in their goods. But a glut developed as demand for local meat dropped.

"We have appealed to (Trade and Industry Minister) Trevor Manuel to reinstate the levy, but so far we have heard nothing," said Lourens. "Pig farmers are in danger of losing everything unless something can be done about this."

Meat imported from Europe was highly subsidised, Lourens said, enabling prices to be kept low.

Pig farmers are also being hit by the levy local producers have to pay per kg of meat, which shot up from R2,25 to R6,30 in March.

Ministry of Trade and Industry spokesman Charl Nel said the Cabinet had commissioned the Board on Tariffs and Trade to look into the meat industry and to "come up with a solution to the problems".

NEWS

Opposition to project to import thousands of live sheep

Star 22/6/95 (3) MEAT

Meat-on-the-hoof plan 'still on'

BY NIKKI WHITFIELD
CONSUMER REPORTER

The plan to import live sheep from Australia is still on track, according to the people fighting hoof and tail to get it off the ground.

The project — to ship tens of thousands of sheep from Down Under to combat a fresh meat shortage and bring down meat prices — has met with fierce opposition from the SPCA and sheep farmers.

According to Shabeer Hoosen, spokesman for the United Meat Traders' Association — the organisation behind the import plan — a delegation of Agriculture Department members and representatives of the United Meat Traders' Association will visit Australia at the end of July.

"The delegation will go on a fact-finding mission to see what will be involved if the project is given the go-ahead," Hoosen said.

"We had a meeting with (Agriculture Minister) Kraai van Niekerk last week and things are still on track."

But it is clear that a permit to import live sheep will not be granted in a hurry. The United Meat Traders' Association lodged an application to import 34 000 sheep with the Department of Agriculture in April and much investigation and evaluation is still to be done.

The Red Meat Producers' Organisation is horrified at the idea, fearing that foreign diseases will invade local flocks and that sales of the freshly slaughtered meat will decrease demand its frozen carcases.

And the SPCA has reacted with outrage, saying importing thousands of live animals would be a disaster from a welfare point of view. Many would die of starvation if they were not given enough time to adapt to eating the dry food they would be fed on board ship, many would succumb to suffocation if ventilation was not adequate. Seasickness and diseases contracted on-board were also problems.

But Hoosen and his organisation — based at the Cato Ridge abattoir — say they are not about to put anybody out of business nor to inflict suffering on the sheep. There is a huge need for fresh meat as the majority of people do not own fridges, and local suppliers do not supply enough fresh meat, they say.

Sheep would be properly taken care of on the sea voyage, and as for an invasion of foreign diseases, the Australian health conditions are the most stringent in the world, Hoosen says.

No animal is allowed to leave that country if it has a disease and would be kept in quarantine, he says.

CT(BR) 30/6/95

Red meat tariffs: New Council of Trade and Tariff recommendations for red meat tariffs have been approved by Dr Kraai van Niekerk, the Minister of Agriculture. The recommendations will eliminate loopholes and eliminate the local shortage of red meat.

(3) MEAT

Minister agrees to meat industry's protection plea

(3) MEAT

STAR 13/7/95

■ BY NIKKI WHITFIELD
CONSUMER REPORTER

Agriculture Minister Kraai van Niekerk has given the thumbs up to proposals for new tariffs which will protect the local red meat industry from cheap imports.

This follows demands from angry producers for the country's tariff structure to be reviewed.

Loopholes enable importers to bring in products highly subsidised by their countries of origin at rock-bottom prices.

While the imports mean lower prices for consumers, local industry is suffering.

The poultry, red meat and dairy industries have been cursing the loopholes which have meant a huge loss in revenue to them.

The Council on Tariffs and Trade (CTT) has been looking into the problem, and appointed a committee to make recommendations to the ministers of Agriculture, Trade and Industry and Finance.

Thumbs up . . . Kraai van Niekerk listens to farmers.

So far, Van Niekerk is the only minister to reply to the recommendations.

He said although he was not entirely satisfied with the protection levels proposed, the fact that the CTT said it would eliminate the loopholes was welcomed.

The relative shortage in the local meat supply also prompted him to accept the recommendations.

He called on the Minister of Trade and Industry to form an Interdepartmental Monitoring Committee to monitor red meat imports in the meantime and to bring problem cases to the attention of the CTT.

"Such monitoring is essential in view of the dynamic nature of the provision of red meat from local sources and taking into account international competition," he said.

Van Niekerk said he hoped the new arrangements would be put into operation soon.

Imports send prices plummeting

Red meat feast for consumers

Star 18/7/95 (3) MEAT

BY NIKKI WHITFIELD
CONSUMER REPORTER

PUBLIC advised to take advantage of discount bonanza expected to last four to six weeks

In a bonanza for consumers but a blow to local producers, the greatest glut of red meat in South Africa's history has sent prices plummeting.

The Meat Board has announced that vast quantities of meat are being imported into the country, which, together with improved local production, has resulted in "severe downward pressure" on producer prices.

A snap survey of major supermarkets yesterday showed that meat — and in particular pork — had come down in price.

A spokesman for one national chain urged consumers to take advantage of the cuts, as labels on meat packs were expected to show discounted figures for the next four to six weeks.

At City Deep abattoir, which is regarded as South Africa's leading market, the peak price for beef of R9,23/kg set in August last year dropped to an average price of R7,73/kg last month. At the same market over the same period, lamb and mutton prices dropped by 19% from R12,26/kg to R9,90.

The slide in pork prices has been even more dramatic. At the Maitland market in Cape

▶ To Page 3

Red meat feast for consumers

(3) MEAT Star 18/7/95

◀ From Page 1

Town, producers got R6,45/kg in August last year, while in June the average price was a mere R4,51 — a drop of 31%.

Alan Ford, Gauteng general manager of Pick 'n Pay butcheries, quoted figures which, in some cases, showed a remarkable decline in six months.

Topside roast had dropped from R25,95/kg in February to yesterday's price of R22,95; rump steak had dropped from R31,95/kg to R27,95 in the same period; a leg of lamb cost shoppers R26,95/kg in February, while yesterday they would have paid R19,95.

Adele Gouws of Shoprite/Checkers said lamb at the chain's stores had dropped by between 10% and 12%, beef was down by 10%, and pork prices had been slashed by between 15 and 18%.

She urged consumers to take advantage of the low prices now, as they probably would not last. "They'll probably go on for between a month to six weeks."

Tim Davidson, director of the National Federation of Meat Traders, said prices were dropping at butcheries with "competition dictating how low they would go".

But producers were less than happy about the slide in prices, saying local industry was being shot in the foot by the huge amount of meat being imported.

Figures showed that 7 500 tons of beef, 4 300 tons of mutton and 523 tons of pork were imported last month alone. To remain competitive, local producers have to drop their prices.

The Board of Tariffs and Trade (BTT) has pledged to look into the import tariffs so hated by local producers. These loopholes have meant importers can bring meat into the country at rock-bottom prices, but this should all change soon.

The BTT has appointed a committee to look into the situation, and it has come up with a set of recommendations.

Among these are that loopholes be closed, a recommendation which has been welcomed and approved by Agriculture Minister Kraai van Niekerk and Trade and Industry Minister Trevor Manuel, but which has yet to be given the nod by the finance ministry.

■ The Meat Board was yesterday anxious to point out that consumers would benefit from the low market prices after its image took a bit of a hammering during Sunday night's *Agenda* TV programme, when Manuel directed criticism of the board at fellow studio guest Van Niekerk.

Manuel said during the programme that the Meat Board and various meat industries "did not give a damn about consumer interests".

A statement issued by Van Niekerk yesterday said the insinuations were "uncalled for" and the Meat Board "definitely had the interests of consumers at heart".

...ating back to 1992.

Meat price claim

③ MEAT

PRETORIA. — In real terms, meat is cheaper than 30 years ago, proving that the Meat Board has the interests of consumers at heart, says Agriculture Minister Kraai van Niekerk.

ARG 18/7/95

Fatal squabble

NEWS

'Don't be duped by low prices'

Certain meat imports 'not fit for humans'

(3) MEAT

Star 21/7/95

BY NIKKI WHITFIELD
CONSUMER REPORTER

South Africa is being used as a dumping ground for inferior imported meat deemed unfit for human consumption, people in the meat industry have claimed.

And meat is being allowed to pass through harbours without being properly checked, or checked at all.

But imported meat is cheap. It is often heavily subsidised by the country of its origin, and loopholes in the tariff structure have meant it can be brought into the country under very low, almost zero, import tariffs.

Many Gauteng butchers yesterday said they never touched imported meat because of the quality, and warned that consumers were being duped by low prices into buying inferior meat.

The weight of frozen meat is also deceptive. It is often so frozen that it appears heavier than it is and can shrink up to 9% during cooking.

"Some imported meat is good, but a lot is not," said one buyer for a catering business. "The bottom line is, consumers are being ripped off. And the more imported meat comes into the country, the more the local industry, the jobs of people employed by it, and agriculture are being threatened."

A Customs and Excise spokesman said it was the responsibility of the Department of Agriculture's animal health branch to inspect imported meat.

"If the department declares that meat is of a bad quality, then we detain it."

A spokesman for the Department of Agriculture's veterinary health department said all meat was thoroughly checked at ports before it was passed and no meat which was not safe for human consumption was allowed to pass through.

"All meat at points of entry is checked by a veterinary director of public health who does the final clearance," she said.

■ The City Deep abattoir said yesterday that because of a shortage in lamb, the price had risen to nearly R13/kg.

A Rosettenville butcher, Anwar Hoosain, called The Star to dispute figures given by the Meat Board which said the market price of lamb was R9,90/kg, the same as mutton. He said he was being charged over R12/kg.

Sheep import plan draws fire

ST(BT) 30/7/95 (3) MEAT

By DON ROBERTSON

SHEEP farmers and wool growers are to consider legal action against the United Meat Traders' Association which plans to import 1,5-million live sheep from Australia over the next three years.

The National Red Meat Producers' Association (RPO) and the National Wool Growers' Association fear importing sheep could threaten the health of the national herd.

Gerhard Schutte, general manager of the RPO, says the Directorate of Animal Health has said it does not have the infrastructure or manpower to monitor the importation of sheep nor would it be able to police or enforce the required protocol if an import permit were issued.

In terms of the constitution, the RPO believes it will have the right to hold United Meat responsible if sheep imports cause disease.

United Meat plans to pay about R250-million for the sheep.

United Meat spokesman Shabeer Hoosen says an application for an import permit was made in May and a meeting with the Minister of Agriculture, Kraai van Niekerk, took place in June. The minister indicated he was not able to grant a permit at that stage, but agreed that members of his department could accompany a joint delegation to Perth and Freemantle on a fact-finding mission.

Mr Hoosen says the delegation consisting of a member of United Meat, one from Umzansi Afrika Trading Corporation, a company established to finance the project, an expert on hides and skin, a vet and four members of the Department of Agriculture will leave for Australia on August 6.

The RPO's Mr Schutte says his organisation is not against imports of mutton in carcass or cut form, provided the correct import tariffs are paid. Import duties are currently R1,50 a kg, but Mr Schutte says large quantities are being imported at only 3c a kg using a loophole in the legislation.

Australia ships about 7-million sheep a year.

More to the burger than meats the eye?

ARG 1/8/95 (3) MEAT

Staff Reporter

WHEN you next sink your teeth into a "100 percent pure beef" burger at your favourite restaurant, how sure are you that the meat you are eating is not from a horse? Or maybe even a zebra?

The Spur steakhouse chain last week sent an internal memorandum to all its Western and Eastern Cape branches not to buy meat from Uli Heydt Master Butcher because a tested sample of mince he supplied contained traces of horse meat.

But Mr Heydt says the claim is nothing more than an "extremely nasty rumour" and that unbeknown to his staff, trimmings from dried sausages which included zebra meat, accidently showed up in a batch of beef mince.

On June 14 health inspectors removed 250 g of "beef mince" from the California Spur in Somerset West and, after analysing it, found it contained meat of "the equine species".

The manager of the restaurant declined to comment on the matter, saying that legal proceedings were in progress against the butcher. On advice from the health inspector, the restaurant paid a fine for false advertising.

In terms of a number of Articles of the Food, Cosmetics and Disinfectants Act of 1972, the steakhouse was guilty of selling meat which was not advertised.

"We advertised our burgers as being pure beef but ended up serving people patty with traces of equine meat. The health inspector said it would be easier if we just paid the fine," said the manager.

In an internal memo from the chain's regional head office, Steve Ford, the regional manager, said: "We advertise our burgers as being 100 percent pure beef and while we purchase the mince from the butcher in good faith that it is beef, this has not been true in this situation."

The memo advises the restaurateurs to obtain a written undertaking from their butchers on the content of their mince, which should be 100 percent pure beef made up of 80 percent meat and 20 percent fat.

Spur's general manager Gerd Topat said he was meeting his senior people today to find ways of saving the company's image.

"We buy our supplies in good faith and the different Spur operators cannot be held responsible if the butcher does anything untoward.

"We are doing random tests at all the steakhouses as this is a very serious and damaging incident and one we need to rectify quickly," Mr Topat said.

Mr Heydt said "the rumour" was being spread like wildfire through the catering industry and he found the allegation "extremely upsetting".

"In good faith we purchased game trimmings for the manufacture of dried game sausage and some of the trimmings contained zebra meat.

"Our mincer was used to mince the trimmings and it would appear that traces of it showed up in one batch of beef mince.

"I wish to categorically state that we do not and have never subscribed to the practice of using horse meat or even allowing it to enter our premises. This matter is being investigated with the supplier of our game trimmings."

Samples of meat from six Spur restaurants in the northern areas are being analysed, and the Cape Metropolitan Council's health department is awaiting the results.

Cape Town Medical Officer of Health Michael Popkiss said he felt the whole matter was nothing more than a storm in a teacup.

"It is really a question of false advertising for which the steakhouse can hardly be blamed, but the question of people eating horsemeat is really not a serious issue.

"If the horse is slaughtered hygenically and in a recognised abattoir, there is nothing unhealthy about the meat.

"People get upset because of their cultural upbringing — horses are used for riding and kept as pets and society, even those who do not own horses have developed a special relationship with horses and other pets and feel it is not correct to eat the animals.

"But horsemeat is not unhealthy and you will not find people racing off to their doctors saying, 'Oh my gosh, I have just eaten horsemeat and am going to die'," said Dr Popkiss.

Sheep farms face inspection

(3) MEAT

Louise Cook

BD 2/8/95

THE agriculture department would investigate aspects of Australian sheep farming before issuing permits allowing imports of live sheep for slaughter.

The department was asked earlier this year by the United Meat Traders' Association to grant permission, by way of a special health and hygiene permit, for the importation of 38 000 sheep from Australia.

But agriculture department acting deputy director Rudolph Bigalke said yesterday that government would have to look into various health, feeding and disease aspects of sheep farming in Australia to ensure imports would not affect the local industry.

The fact-finding mission would visit Australia next week to investigate, Bigalke said.

"We need to visit some of the farms where these sheep are raised as well as facilities where the animals are gathered and switched from one feeding system to another. We would check the ships used to transport the animals, and feeding and waste removal systems used on board," he said.

The mission would also visit the Australian Livestock and Meat Corporation, a West Australian factory producing special fodder for sheep in transit, and harbours with special animal loading facilities.

Bigalke, who would be accompanied on the week-long visit by a state veterinary surgeon and two officials specialising in sheep feeding systems, said the fact that SA harbours lacked animal loading facilities could pose a problem.

The national Red Meat Producers' Organisation (RPO) and the National Wool Growers' Association said the agriculture department lacked the infrastructure and manpower to monitor the proposed imports. RPO GM Gerhard Schutte said the organisations had told government they reserved the right to go to court if local producers suffered losses because of the imports.

Sources said a local animal welfare organisation was sending inspectors to Australia to investigate conditions.

SA was accused by the Australian Meat and Livestock Corporation — the equivalent of the Meat Board — of jeopardising meat trade.

Australian Meat and Livestock Corporation MD Bruce Standen said in an open letter that the country maintained stringent health and hygiene standards and misrepresentations could "disrupt a trade important to Australia and SA".

Spur bridles at horseflesh hamburger row

BD 2/8/95 (3) MEAT

Amanda Vermeulen

SPUR Steak Ranches, reacting to reports that samples of what could be horse meat were found in hamburgers in its Somerset West branch, said yesterday the contamination had been contained to isolated batches of mince "sent to a small number of restaurants".

Spur MD Gerd Topat said franchisees who had bought meat from butcher Uli Heydt had, on the instructions of Spur, destroyed all stocks. They had also been instructed to purchase their meat from elsewhere.

Health inspectors, who took samples from the Somerset West Spur in mid-June, were unable to identify whether the meat was contaminated by donkey, zebra, horse or mule flesh. Inspectors took more samples from Spur restaurants last week, and were waiting for results.

Sources close to Topat said he did not want to name the restaurants concerned "for fear of a witchhunt" against those outlets. But he said it was not 20 as had been reported.

Heydt commented that the beef mince could have been contaminated by game trimmings from a Gauteng or Namibian supplier. He was considering legal action against his suppliers.

Topat said: "Mr Heydt is highly respected in the catering industry and I believe Spur is an innocent victim of events beyond its control."

Meat Board slams import loopholes

Poultry

(3) MEAT

CAROL CAMPBELL

CT 2/8/95

SOUTH AFRICA'S meat and poultry farmers say they are being bankrupted by loopholes in import legislation that are being exploited by other countries.

General manager of the Meat Board Dr Pieter Kempen said yesterday that 4 500 tons of meat was imported in June, mostly from Australia.

Importers had taken advantage of meat shortages caused by the drought, and farmers — who were now struggling to rebuild their herds — were battling to compete with the low meat prices.

Despite the recent tightening of red meat import legislation, there are still thousands of tons of frozen imported meat which will take months to sell.

The wholesale price of pork per kilogram, for example, is R3,50 to R4 but it costs farmers R5 per kilogram to produce it, he said.

In the July issue of the industry magazine Rooivleis an editorial slammed the Department of Trade and Industry, accusing it of "tardiness" in closing the loopholes.

If local producers were not protected, the country's balance of trade would be affected — with all meat being imported at low prices but with no producers in the country able to generate jobs.

Battling

Department of Trade and Industry spokesman Mr Ismail Lagardien said he would comment today.

● Poultry importer Mr Mac Eksteen was still battling to get his US chickens released yesterday after he was caught in the middle of a change in import legislation.

He is expected to pay nearly R2 million more in duty.

INSPECTION: City council senior environmental health officer Mr Tony Strutt takes a close look at meat at a Waterfront butchery yesterday. *PICTURE: NIC BOTHMA*

'Horsemeat' in burgers: Council warns suppliers

CT 2/8/95 (3) MEAT

JACKIE CAMERON

CITY COUNCIL health inspectors have warned four retailers to stop selling mince mixed with equine meat under the guise of beef mince, and are waiting for the results of tests on samples taken from another 100 outlets.

This emerged yesterday following a report that equine meat was found in a hamburger patty at the California Spur in Somerset West.

A spokesman for the city's environmental health department said a delay in test results had made it "technically difficult" to take action against the retailers this year.

"There is nothing illegal with selling zebra or horse, as long as people know what they are getting," he said.

Meanwhile, the Namibian game trimmings supplier who supplied the city wholesaler named by Spur management as providing the mince in question, Mr Kurt Schmidt, said his label did not specify that there was zebra meat included.

"If he had asked, I would have told him. We are not responsible if he mixes the game with mince."

Spur spokesman Mr Gert Topat said the incident was "isolated" and that franchisees who had bought meat from this supplier had destroyed remaining stocks.

"In-house quality checks will be further tightened," he said.

Probe into live sheep import plan

CT. 3/8/95 (3) MEAT

STAFF REPORTER

OFFICERS from the National SPCA (NSPCA) will accompany agricultural officials on a visit to Australia to investigate a scheme to import live sheep to South Africa.

Australia is using SA as a "dumping ground" for lower grade mutton, according to NSPCA executive Mrs Marcelle Meredith.

Another concern raised by Mr Pieter Kempen, national general nanager of the Meat Board, is that live animals will introduce disease to stock in SA.

The importers, who plan to import 34 000 sheep, will take advantage of a loophole in the tariff system as there are no tariffs on live sheep, but there are on frozen carcasses. Meat and poultry farmers claim importers making use of loopholes are bankrupting them.

Mr Kempen claimed the exploitation of such loopholes "puts our own industry at risk", and the importers — who can set their prices at just under the local price — make "big profits" while the consumer gets lower-grade meat.

Meanwhile, the president of the South African Agricultural Union, Mr Boet Fourie, said yesterday the tidal wave of illegal impor-

THURSDAY
AUGUST 3, 1995 ★

OUTLETS 'SHOCKED'

Fraud investigation in equine meat scandal

③ MEAT CT 3/8/95

EQUINE MEAT was found in boerewors in a store belonging to a major supermarket chain last month, leading to a fraud investigation. **JACKIE CAMERON** reports.

POLICE are investigating a case of fraud following the discovery of more equine meat in disguise — this time hidden in boerewors at a major chain's supermarket.

Results of a test on boerewors at an OK Bazaars outlet in Mossel Bay — supplied by Renown in Cape Town — were forwarded to police late last month, a police spokesman said.

The test did not specify whether the meat sample, taken in June, was from a horse, donkey, zebra or mule.

"We are investigating a case of fraud, as the boerewors was not labelled as containing equine meat, and will forward the docket to the prosecutor for a decision on whether anyone will be charged.

"We will pass the information on to Cape Town health inspectors so that they can follow it up," he added.

This week it emerged that equine meat was found in hamburger patties sold in a Spur restaurant in Somerset West.

OK Bazaars' regional manager Mr Harvey Dixon said: "OK takes full responsibility for the quality of meat in our stores. This is totally unacceptable and the last thing we expected.

"We have asked for an explanation from Renown Butcheries, which is a franchise operation in some of our stores, and they have given us the assurance that this is not happening now.

"They told us they buy meat in good faith from a reputable wholesaler in Cape Town. They assured us they are taking steps to make sure this will not happen again."

Mr Sampie de Lange, operations manager for Renown's OK Meat Market outlets, said: "I was very shocked when I learnt about this. I can't say 100% which supplier gave us this meat but we have our suspicions."

Mr De Lange said his company received a lot of frozen meat in cartons, which were not always clearly marked. He had asked his suppliers to clearly mark them in the future.

Differences

It was "very difficult" to tell the difference between types of meat which were frozen or lean, he said.

Mr De Lange said health inspectors checked his premises and meat at other outlets regularly and that he feared this incident would be bad for business.

A spokesman for Shoprite/Checkers said they were not worried because they bought whole carcasses direct from the abattoir and processed their own meat.

Board on sheep imports: 'We'll take it to court'

ARG 4/8/95 (3) MEAT

DAVID YUTAR
Staff Reporter

THE Meat Board will go to court if necessary to stop the importation of live sheep.

National general manager of the board Pieter Kempen has warned that the board will "take whatever measures necessary" to end the controversial importation of live sheep from Australia and New Zealand.

Meanwhile, a planned visit to Australia by officers from the national Society for the Prevention of Cruelty to Animals (SPCA) to investigate schemes to export live sheep, has been postponed.

SPCA executive director Marcelle Meredith said the visit by a delegation, including members of the Meat Board and the Department of Agriculture, had been put off because the shipment destined for the Middle East "was not ready".

Dr Kempen conceded South Africa faced a shortage of mutton but said there was no reason for the meat not being transported in carcass form.

He said Australia was a major exporter of mutton and South Africans were ending up with "tough meat on their tables" — lower grade meat that Australians and New Zealanders would never accept.

Importers were "bypasssing the tariff system" which exempted live sheep from tariffs in contrast to frozen meat.

The Meat Board agreed with the SPCA that imported live sheep posed a major health hazard by bringing in new and foreign diseases.

"The Meat Board will demand that the same quarantine measures apply to livestock for meat purposes as apply to breeding stock," said Dr Kempen.

"We simply must have the assurance that no new diseases enter the country ... If we do not we will take whatever measures are necessary to obtain them."

This might mean going to court, if necessary.

Dr Kempen referred to the appalling conditions at local feedlots before the animals were slaughtered, where sheep often "tended to disappear".

Beda Hlope, chairman of the United Meat Traders' Association which imports the live sheep, denied allegations against his organisation.

He said the SPCA and the Red Meat Producers' Organisation were "totally off course" in opposing the importation.

The reason his organisation was importing live animals rather than frozen carcasses was "so that everything is transparent".

"The animals are slaughtered at one central abattoir and sold on open auction," he said.

Mr Hlope stressed that importers adhered to a strict protocol set by the Department of Animal Health.

This protocol stipulated minimum quarantine conditions, that all interested parties, such as animal rights' groups, be informed of conditions and that sheep were slaughtered within 14 days of their arrival.

Mr Hlope denied claims of cruelty during the sea passage.

Sheep spent a maximum of 12 days on board ship during which time they were given ample food and water, he said.

As for the threat of disease, his organisaion complied with the protocol's requirement that the sheep come from areas abroad that had been "disease-free for five years".

Horsemeat claim spurs burger boss into action

(3) Meat

STAFF REPORTER

Star 5/8/98

Lovers of burgers at a popular chain of steakhouses can relax — fears that they might contain horsemeat have been quashed by management, left stunned after Western Cape health officials ruled that meat taken from one restaurant was a little suspect.

Health inspectors said meat taken from the California Spur in Somerset West was "from a horse, donkey, mule or zebra".

But Spur group managing director Gerd Topat said the problem was confined to "a very small number of franchised restaurants, not 20 as reported, and only to the Western Cape".

Stocks destroyed

Franchisees who bought meat from a prominent Cape Town meat supplier, Uli Heydt Meat Wholesaler and Retailer, were ordered to destroy their stocks.

"As a franchiser which trades on 100% pure beef burgers, Spur acted immediately after being made aware of allegations of horsemeat," Topat said.

"Quality controls in South Africa are high, and Spur also carries out regular and extensive checks. Spur, with the public and other restaurants, purchased meat in good faith from reputable suppliers."

Heydt said the results of the test had been faxed anonymously to all his clients yesterday — and cancellations of orders had not stopped.

"I have never allowed horsemeat on my premises. This could only have happened if game trimmings, which could have come from Gauteng or Namibia, contained the meat, some of which stuck in a mincer later used to mince beef."

Heydt said he was planning to take legal action against the suppliers, as well as a former business partner.

Equine meat was zebra, says OK

(3) MEAT

CT 7/8/95

JOHANNESBURG: Samples taken from boerewors at an OK Bazaars butchery in Mossel Bay last week were believed to contain zebra meat not horse trimmings, OK Bazaars said yesterday.

OK Meat Markets managing director Mr Mike Barrett said investigations had revealed zebra trimmings were found in a small quantity of sausage at the butchery, after earlier preparation of game sausage.

Mr Barrett said the meat had been obtained from a game farm in the Eastern Cape.

"Our butchery used it to make the game wors, which is perfectly edible, and some residue was included in the second batch of beef wors."

Samples of the game trimmings would be kept for further testing.

OK Meat Markets was considering legal action if it found the game farm had deliberately falsified the sausage, Mr Barrett said.

● Enterprise Foods has assured consumers that Renown processed foods are in no way linked to Renown fresh meat, which was at the centre of the equine meat controversy.

In a statement, Enterprise Foods said equine meat or game had "never been used" in their wide range of processed meat products and any allegations about Renown's involvement should make it clear that their products and Renown fresh meat were produced by two separate companies.

Dumping will lose industry millions

ARG 29/8/95 (3) MEAT

PIETERSBURG. — Unless the uncontrolled dumping of meat from foreign producers was stopped, South Africa's red meat industry might lose R5 million daily, Transvaal Agricultural Union president Dries Bruwer said.

If other agricultural products were taken into consideration, many more millions might be lost, he said in Pietersburg, Northern Province.

"Organised agriculture will therefore support any legislation prohibiting dumping of agricultural products," he said.

"We are dependent on food imports, but they should be controlled effectively so as not to harm or even destroy our local producers."

Bruwer said the "brittle" agricultural industry might be ruined beyond repair if producers were not protected against uncontrolled imports.

These were in most instances of poorer quality than local consumers were accustomed to, he said.

Food imports should be planned in co-operation with organised agriculture.

A collapse of the local industry would lead to price rises on imported food. — Sapa.

Butchers not mincing their words in horsemeat battle

ARGT 2/9/95 (3) MEAT

■ While a legal battle rages over the sale of "equine meat", consumption thereof is not considered necessarily to be a health risk.

Staff Reporter

A BATTLE surrounding a Wynberg butchery, recently accused of supplying a steakhouse group with "equine" meat, has resulted in the partners crossing cleavers in the Supreme Court.

This week Uli Heydt, the owner of Uli Heydt Butchery in Wynberg's Main Road, won a legal battle against his former partner Paul Leach.

Mr Leach was restrained for a period of two years from operating a rival butchery business within a 100 km radius of Wynberg's Post Office.

He also was ordered to pay the costs of the court case.

At the crux of the court drama lay a partnership agreement between Mr Heydt and Mr Leach, but allegations, counter-allegations and denials about the equine meat saga featured prominently.

On June 14, health inspectors removed 250 grams of "beef mince" from the California Spur in Somerset West and, after analysing it, found it contained meat of the "equine species".

This meant that the meat could have been horse, zebra, donkey or mule.

Following this, the Spur head office issued an internal letter to all its franchisees alleging that Uli Heydt butchery had supplied them with horsemeat and ordering them not to buy meat from him.

Mr Heydt has denied he supplied horsemeat and has stated that, although his butchery was one of the suppliers of the Spur, it had not been proved that the equine meat came from one of his batches.

At the time of the incident he said: "I have never allowed horsemeat on my premises. The only way this could have happened is that game trimmings, which I got from Namibia or Gauteng, somehow got stuck in the mincer which was later used to mince beef."

Mr Leach told a different story in the court papers and alleged it was a joint decision between him and Mr Heydt to buy horsemeat. This was strongly denied by Mr Heydt.

He said the Spur letter had been faxed anonymously to his clients — leading to a massive cancellation of orders — and pointed a finger at Mr Leach whom he claimed was trying to discredit his business.

A few weeks after the equine meat drama, the partnership disagreement was heard in the Supreme Court.

Mr Leach claimed he was used by Mr Heydt only for his client base, which he said consisted of 1 000 customers, and Mr Heydt had no intention of allowing him to have equal say in the management of the butchery as was set out in the partnership agreement.

He said the business had grown in turnover from about R60 000 a month up to R2,7 million a month after he had become involved. He alleged that Mr Heydt was an employer who assaulted his staff and who once said he wished he could have them all "shot by a firing squad".

Mr Heydt replied in court papers that it was Mr Leach who had got hold of the Spur letter and had sent it to his customers in an attempt to "inflict as much financial harm as he could".

The judge, Mr Justice De Bruyn, said it was clear that Mr Leach had been building up his own business while carrying on the business of the partnership. He said the legal balance favoured Mr Heydt.

MEATY ISSUE: "I've got nothing to hide"...says Uli Heydt. Picture: ROY WIGLEY, Staff Photographer.

'I'm not sitting back, it's only the beginning..' — ex-partner

In spite of losing the legal battle, Mr Leach was still determined to carry on fighting.

"I'm not sitting back ...this is only the beginning," he said.

Mr Heydt described the issue as "very sensitive".

"I'm not interested in throwing things back and forth. I don't want to play the same game as he is."

Although in the legal papers he reserved his right to sue for damages, Mr Heydt would not comment on whether he was thinking of taking the matter further with his lawyers.

■ Butchery battle aside, the question arising out of the "equine" meat saga is: What was all the fuss about?

Horsemeat is regarded as a delicacy in parts of Europe and is eaten readily.

Cape Town's Medical Officer of Health Michael Popkiss said: "If the horse is slaughtered hygenically and in a recognised abattoir, there is nothing unhealthy about the meat.

"People get upset because of their cultural upbringing — horses are kept as pets and used for riding and society, even those who do not own horses, have developed a special realtionship with them and feel it is not correct to eat the animals.

"But, horsemeat is not unhealthy and you won't find people running off to their doctors saying, 'Oh my gosh, I have just eaten horsemeat and I am going to die'".

1994	WC	NC	OFS	EC	Ntl	ETvl	FN	NTvl	Witw	WTvl	Total
January	7	0	0	4	83	0	0	1	143	3	241
February	1	2	1	2	134	2	0	1	96	3	242
March	7	2	0	24	170	2	0	5	124	4	338
April	6	0	2	2	238	5	3	0	97	0	353
May	0	0	3	1	83	0	1	5	65	0	158
June	0	0	1	2	55	2	0	2	34	0	96
July	1	0	0	0	71	1	0	2	55	4	134
August	7	0	2	1	63	0	0	0	33	0	106
September	0	0	5	1	28	0	1	0	34	0	69
October	18	1	0	2	45	0	0	6	32	0	102
November	7	0	0	2	56	1	0	8	17	0	91
December	0	0	0	1	76	5	1	2	14	0	99
TOTAL	52	5	14	42	1 102	18	6	32	744	14	2 029

1995	WC	NC	OFS	EC	Ntl	ETvl	FN	NTvl	Witw	WTvl	Total
January	6	0	12	6	117	0	0	0	26	0	167
February	2	0	4	6	47	2	0	0	21	0	82
March	3	0	0	7	47	0	0	0	16	18	91
April	2	0	14	7	55	0	0	1	23	0	102
May	3	0	0	24	85	0	0	0	23	3	138
June	1	0	0	4	74	0	1	3	31	0	114
July	3	0	1	8	88	0	0	1	69	0	170
August	2	0	0	2	62	1	0	3	16	1	87
September	—	—	—	—	—	—	—	—	—	—	0
October	—	—	—	—	—	—	—	—	—	—	0
November	—	—	—	—	—	—	—	—	—	—	0
December	—	—	—	—	—	—	—	—	—	—	0
TOTAL	22	0	31	64	575	3	1	8	225	22	951

93-95	WC	NC	OFS	EC	Ntl	ETvl	FN	NTvl	Witw	WTvl	Total
TOTAL	195	9	77	145	3 011	40	15	68	3 030	81	6 671

QUESTIONS

†Indicates translated version.

For oral reply:

Questions originallly put on Question Paper for reply on Thursday, 31 August 1995—no sitting of Senate:

The PRESIDENT OF THE SENATE: Order! I once again wish to draw the attention of the Ministers and Senators to the recent amendments made to Rules 198 and 199. These Rules provide that a member who has submitted a question for oral reply has to be present in the House to hear the reply. If a member is not in the House, a Minister can elect not to proceed with the reply. Secondly, these Rules make provision that the Minister's reply shall not exceed three minutes with the remainder of the reply to be tabled. Thirdly, it makes it clear that the presiding officer may announce supplementary questions at his or her discretion. I shall apply these amendments with some latitude, taking into consideration that Ministers may not have been informed timeously of these amendments and the possibility that since Senators are busy and engaged in various activities, they may not have had the minutes of the Senate.

Unregistered/informal abattoirs: meat sales

*1. Sen E K MOORCROFT asked the Minister of Agriculture:

(3) MEAT

(1) Whether any figure is available on the amount of meat sold in the Republic through unregistered, informal abattoirs; if not, what is the position in this regard; if so, what is this figure;

(2) whether his Department is taking any measures aimed at improving standards at such abattoirs; if not, why not; if so, what measures?

S421E

The MINISTER OF MINERAL AND ENERGY AFFAIRS (for the Minister of Agriculture):

(1) No, there is no reliable information on the quantity of meat slaughtered at irregular slaughtering facilities because there is no practical way to monitor this.

(2) Yes, informal abattoirs come to the attention of the authorities either when they are discovered by the authorities or when they voluntary seek to regularise their position. The upgrading requirements applied to such informal abattoirs have been drawn up in collaboration with the Provincial Governments.

There are 14 basic health and hygenic requirements which must be complied with before an abattoir may be granted official approval. As first step, seven of these 14 requirements are imposed on informal abattoirs to be upgraded for instance:

— the animals must be kept and slaughtered in as humane a way as possible;

— clean water and overalls must be used in all slaughtering facilities.

Provincial Veterinary Authorities will apply the requirements in consultation with stakeholders such as the abattoir owner and the local authorities.

Sen E K MOORCROFT: Mr President, I know that this is not the hon the Minister's portfolio. I appreciate the fact that he is standing in for the Minister of Agriculture and do not wish to embarrass him by asking an awkward question, but, arising out of the reply, could he tell us if there is any form of inspection to identify possible diseases and contamination of the meat at these smaller, informal abattoirs? If he is not able to answer this, the question should perhaps go through to the department.

The MINISTER OF MINERAL AND ENERGY AFFAIRS: Mr President, the problem is that one does not know where they are. Some of these abattoirs might be under trees in the bushveld. [Interjections.] I am answering the hon Senator's question, and what I am saying is that there is no practical way of establishing where they are, unless the inspectors discover them or they come forward and identify themselves, which some of them do nowadays. They come forward because they want to regularise matters and come into line with the official requirements. Otherwise there is just no practical way of finding them. The hon Senator will know that for many years we did not have abattoirs in this country. He knows how in days gone by we used to slaughter an ox once a month and some sheep every weekend, etc. There is just no way in which that can be determined. That is my reply.

Theft of firearm of certain person: progress in investigations

*2. Sen J SELFE asked the Minister for Safety and Security:

Whether any progress has been made in the investigation in respect of the theft of a firearm of a certain person, whose name has been furnished to the South African Police Service for the purpose of his reply; if not, why not; if so, what progress? S422E

The MINISTER FOR PUBLIC ENTERPRISES (for the Minister for Safety and Security):

No, a statement from the complainant referred to is still outstanding. A number of messages were left at Parliament for him to contact the investigating officer, but to no avail.

*3. Sen W F MNISI—Health. [Question standing over.]

*4. Sen W F MNISI—Health. [Question standing over.]

New questions:

Removal of prisoners from Queenstown to Whittlesea Sada

*5. Sen V M TYOBEKA asked the Minister of Correctional Services:

(1) Whether the removal of prisoners from Queenstown prison to Whittlesea Sada is permanent; if not, what is the position in this regard; if so, why;

(2) whether any factors affecting the warders of this prison, with specific reference to the transportation of these warders, were taken into consideration in this regard; if not, what is the position in this regard; if so, what factors;

(3) whether the communities of Queenstown have been consulted in this regard; if not, why not; if so, what are the relevant details? S436E

The MINISTER OF CORRECTIONAL SERVICES:

(1) No. The temporary removal of certain categories of prisoners from the Queenstown Prison took place after an investigation into the suitability for further utilisation of the prison revealed that the present structure is not conducive to the humane treatment and safe custody of prisoners or the safety of personnel working at the prison. The desirability of the upgrading of this prison to acceptable standards is at present being attended to.

(2) Yes, the interests of personnel were indeed taken into consideration. All members were informed of the reasons for and the necessity of their removal. It was also explained to them that their placement at Sada Prison is in the best interest of themselves and the Department in order to ensure continuous efficient administration. To assist the members, they are transported with government transport from Queenstown to Sada Prison and back on a daily basis.

(3) Yes. The temporary transfer of personnel and prisoners to the Sada Prison was discussed with the Town Clerk on 29 March 1995. The courts and the SA Police Service were also informed accordingly and the prisoners had the opportunity to inform their families of the temporary transfer.

Sishen/Saldanha railway line: repairs/maintenance

*6. Sen J SELFE asked the Minister for Public Enterprises:

Whether the State is to bear responsibility for (a) repairs to and (b) the maintenance of the Sishen/Saldanha railway line; if not, who is to bear such responsibility; if so, what are the relevant details? S437E

The MINISTER FOR PUBLIC ENTERPRISES:

The Managing Director of Transnet Limited furnished the following reply to the hon Senator's question:

(a) and (b) No.

Transnet Limited.

Unleaded fuel: aromatic additives

*7. Sen E K MOORCROFT asked the Minister of Mineral and Energy Affairs:

(1) Whether any of the products contained in the aromatic additives to be added to unleaded fuel in South Africa are chemicals related to the benzine family; if so,

(2) whether any health implications relating to the use of benzine were taken into consideration in deciding to use these additives; if not, why not; if so, what are the relevant details;

(3) whether his Department has any specific strategy to limit the effect of such additives; if not, why not; if so, what strategy;

(4) whether his Department has considered reducing the octane rating of unleaded petrol from the proposed 97 octane to approximately 91 octane in order to eliminate the need for a substantial addition of aromatic additives; if not, why not; if so, what are the relevant details? S438E

The MINISTER OF MINERAL AND ENERGY AFFAIRS:

(1) All petrol, whether leaded or unleaded, contains aromatic compounds. All these aromatic compounds are related to benzine.

(2) Yes, the health implications relating to the use of benzine in petrol were taken into account. The presence of benzine in our petrol—about 2% by volume—is well below the internationally accepted level of 5% as laid down by the World Health Organisation, European Union environmental legislation and the Environmental Protection Agency of the United States.

(3) Yes, the strategy is to keep benzine and aromatic additive levels as low as possible and in any event below acceptable international levels. The increase of aromatic additives in unleaded petrol as compared to leaded petrol will be less than 5%, from its present average of 25%. There will be no significant increase in benzine content.

The Departments of Mineral and Energy Affairs and of Environmental Affairs and Tourism, together with the Oil and Motor Industries, have set up an air quality monitoring programme in order to measure the effect of vehicle emissions on our air.

It is anticipated that unleaded petrol will constitute approximately 20% of total petrol sales in the first year and that its market share will gradually increase in subsequent years. It is not therefore expected that the introduction of unleaded petrol will have any measurable effect on air pollution levels for probably at least two to three years.

The countries of the European Union introduced unleaded petrol in the early 1980s. It was only in January 1993 that catalytic converters were made compulsory in all new cars. In the meantime an increasing number of cars sold were already fitted with catalytic converters. The same pattern is expected to occur in South Africa. In the case of South Africa, the requirement that all new cars be fitted with catalytic converters will be considered only when air pollution levels become such as to suggest such a measure. Catalytic converters significantly neutralise the deleterious effects of fuel emissions including unburnt aromatic additives and benzine.

(4) The use of 97 octane ("super") unleaded petrol in South Africa has never been considered. When unleaded petrol is introduced, the octane structure will be as follows:

Inland: 93 leaded
91 unleaded

Coastal: 97 leaded
95 unleaded (i e standard Eurograde, which is used throughout Europe).

*8. Sen W F MNISI—Health. [Question standing over.]

Boards for performing arts: advertisements for nomination

*9. Sen A E VAN NEIEKERK asked the Minister of Arts, Culture, Science and Technology:†

(1) Whether his Department has placed any advertisements for nominations for candidates for the various boards for the performing arts; if not, what is the position in this regard; if so, (a) how many times and (b) in which publications;

CT 8/9/95

Spur announces new meat supplier

(3) MEAT

SPUR Steak Ranches launched a nation-wide advertising campaign this week to announce that Irvin and Johnson Ltd were supplying Spur burgers as of yesterday.

This announcement comes after the discovery of equine meat in burger patties at the California Spur in Somerset West in June.

Spur chairman Mr Allen Ambor said the partnership would ensure that Spur burgers would be 100% pure beef. — Staff Reporter

Meatmen Kraai 'black sheep'

CT 21/9/95

PRETORIA: The shears were out for Agriculture Minister Dr Kraai van Niekerk last night following his decision to bar imports of live slaughter sheep.

A media briefing here to announce the decision turned into a heated debate when enraged black meat traders accused him of racial bias. Dr Van Niekerk had called the news conference to announce his decision not to grant a permit to black group the United Meat Traders' Association, to import the sheep by ocean carrier from Australia.

(~~4~~)(3) MEAT

Import permit for live Oz sheep off

(3) MEAT   Star 22/9/95

BY NIKKI WHITFIELD
CONSUMER REPORTER

Live sheep will not be imported from Australia – and the people who fought hoof and tail to bring them over here are so mad they could spit.

Yesterday the United Meat Traders Association (Umta) vowed to continue the battle, insisting: "This is only round one."

But Agriculture Minister Kraai van Niekerk's office is adamant: No slaughter sheep will be shipped over from down under, a result which caused rather a heated debate when it was announced in Pretoria on Wednesday.

Black traders accused him of being racist and of only having the interests of the sheep farmers at heart. There is a shortage of fresh mutton, they say. The majority of South Africans do not possess fridges and do not want to buy frozen meat, not to mention the scores of people who obey strict religious rules and want to buy meat straight from abattoirs which observe the rites.

On the flip side of the coin, the producers and welfare groups are happy. Farmers stridently fought the import plan all along, fearing they could be forced to abandon their livelihoods if the project really took off, and also fretting that foreign diseases would filter into local herds.

Animal rights groups labelled the project outrageous and potentially disastrous. Sheep, they said, were creatures of habit and needed a long time to adapt to different situations. Therefore many of them were likely to die of starvation on board ship if they had not adapted properly to eating dry food. They would also suffer if ventilation was not adequate and could contract diseases on board, even if they had been given a clean bill of health before departure.

But Umta is not going to stop fighting for what it wants. The organisation's Shabeer Hoosen said he and his colleagues were exploring different options, and were even considering taking the matter to President Nelson Mandela's office.

"What I really don't understand is this: At the beginning of the year, when the whole proposal came up for the first time, the Department of Agriculture issued a document to us outlining the protocol it would be necessary to follow if we had any hope of being successful in getting a permit.

"We followed this protocol absolutely, and we were still denied a permit. I think the department had decided from the outset that it would not grant anything."

The Department of Agriculture's Dr Paul Bosman said Umta's statement that it had followed protocol was "open for debate" as the department's veterinary wing had had problems with the welfare of the sheep.

Van Niekerk said on Wednesday: "The transportation of meat in live form is archaic and inhumane. This opinion is strongly corroborated by the Livestock Welfare Association and the SPCA who both accompanied the departmental fact-finding mission to Australia."

Bosman said other options were open to Umta, such as exploring how to import chilled, not frozen, meat. He dismissed the groups' accusations of racism as "something which doesn't enter into the equation at all".

The SPCA yesterday praised Van Niekerk's decision, as "preventing animals from having to endure great suffering and stress".

Wholesaler backs bid to end levies on meat

(3) MEAT 9/10/95

Louise Cook

THE fight in the Pretoria Supreme Court between the Meat Board and two abattoirs backed by the Organisation for Livestock Producers(OLP), has taken a new turn with a Pretoria-based wholesaler joining in to back the OLP.

Mr Meat co-owner Marius Prinsloo said he would support the OLP and Louis Trichardt and Cullinan abattoirs' application to dissolve the Meat Board, declare the Agricultural Marketing Act invalid and refer the case to the Constitutional Court.

"I have not slaughtered for about a year — the Meat Board's levies being one of the main reasons," he said.

The OLP and Louis Trichardt and Cullinan abattoirs lodged papers in the Pretoria Supreme Court accusing Agriculture Minister Kraai van Niekerk, the Meat Board and 14 agricultural boards of violation of the Bill of Rights and discriminatory and unreasonable application of the levy system and "surplus (meat) removal scheme. The parties have until November 22 to respond.

Asked how his business had been affected by levy payments, Mr Meat's Prinsloo said the payments had been "exorbitant" and wiped away profits.

Last year he had slaughtered more than 50 cattle daily but his costs to the board had been about R550 a day. He said the board had not rendered any significant service to the industry and had never assisted in aspects of distribution.

But Meat Board deputy GM Frans Pieterse said the board had been assured by industry role-players and the abattoir association, representing 90% of all abattoirs in SA, that it fulfilled an important role in the industry. The board's services included market and product research, training of meat traders, hygiene inspection services for abattoirs and meat classification services.

Red Meat Producers' Organisation (RPO) GM Gerhard Schutte also came out in support of the Board, saying that the RPO had the support of at least 6 000 members as against the 582 of the OLP. He said research done by the Meat Board was vital to the industry.

"The levy system is not unique to SA — Australia, New Zealand, the USA, the UK and most neighbouring states rely on levies to boost their industries," he said.

The Meat Board declined to comment on the matter.

Freemarket Foundation executive director Leon Louw said the problem with SA's agricultural marketing legislation lay primarily in the denial of freedom of association. The foundation would be prepared to give evidence to show that the Acts contravened the constitution.

Parys-based lawyers Grimbeeck and Van Rooyen said there was strong "moral and financial support" for the OLP from many abattoirs that stood to benefit from the court ruling in favour of the application.

NEWS

'Limited supply will drive beef prices up'

Good rains mean hike in meat prices

Star 3/11/95 (3) MEAT

BY NIKKI WHITFIELD
CONSUMER REPORTER

Major supermarket chains have pledged to keep bread prices constant despite a climb by as much as 24c a loaf, brought about by rising flour prices.

And meat prices could also soon rise by about 12% because the recent good rains have given farmers the chance to build up their herds on good grazing instead of sending them to slaughter. Meat-industry experts expect this to cause a relative shortage of slaughter stock and red meat.

The increases have put a severe dampener on last week's announcement that inflation had slid to its lowest rate in 23 years and that petrol had dropped by 3c a litre.

Food giant Premier Milling announced last week that bread prices would rise by 9,9%. This means that, while bread prices are deregulated and differ from store to store, consumers can expect to pay about R2,60 for a loaf of white bread, and R2,40 for a loaf of brown at corner stores.

Pick 'n Pay and Shoprite/Checkers, however, have announced that they are to carry the increases for the time being.

RETAILERS have pledged to keep the price of bread low in spite of a big increase in cost of flour

Pick 'n Pay's Ray Murray said the chain intended keeping prices down for November and would try to negotiate deals with bakeries to sell bread at prices more "pocket-friendly" than those dictated by the increase.

A spokesman for Shoprite/Checkers said their stores would be holding prices down "for as long as possible".

Prices at Pick 'n Pay are R1,98 for white bread and R1,65 for brown, while Shoprite/Checkers' prices are R2,02 for white loaves and R1,67 for brown.

The Consumer Council's Siva Naidoo said the price hike would take bread "out of the mouths of millions of consumers who are reliant and dependent on this staple food" and called on the agriculture ministry to review the matter.

Sasko Milling operations director Allan Bishop said the industry expected to be affected by the shift from quantitative import controls to tariffs this month.

A 15-16% wheat price increase for the 1995/96 season will result in bread prices rising by about 17c a loaf.

Wheat prices are set annually with effect from November 1 and the market was looking at a 15-16% increase in the selling price to millers – to about R910 a ton, up from R789 a ton, he said.

Fritz de Jager, assistant manager of the Red Meat Producers Organisation, said farmers built up their herd numbers during rainy seasons because the veld could stand extensive grazing.

During the favourable 1993/94 season, farmers had built up stock numbers, and held back their female beasts for breeding purposes.

"However, the rain dried up at the end of the 1994/95 season, and farmers had to start selling off their stock," De Jager said.

"If this season continues to be a wet one, farmers will continue with their herd-building phase and production prices could then rise by 12%," he said.

Beef prices expected to rise

ARG 10/11/95 (3) MEAT

PRETORIA. — Beef prices are predicted to increase towards the end of the year, Meat Board agricultural economist Wilbie Venter said.

"The average producer price of beef should be around R7.25/kg at the end of the year," he said yesterday.

"For A2 and A3 grades this means average prices of R7,30/kg, which could rise to R7.70/kg by year's end."

Farmers were withholding slaughter stock, also leading to price increases.

Mr Venter said beef imports were not expected to increase over the festive season as they did last year, due to price uncertainty. Heavy imports last year pushed down prices.

New tariffs for poultry and red meat announced in August this year had led to a drop from 5 700 tons in July to 3 200 tons in September.

Mr Venter said the process of rebuilding cattle herds after the droughts of the early 1990s was not yet complete. — Sapa.

Beef yields more profit than gold

Louise Cook

(3) MEAT BD 18/12/95

THE SA Futures Exchange (Safex) beef futures contract achieved volumes of close to 1,7-million kilograms in its first 100 days of trading and speculators made more than if they had traded in gold, Safex said at the weekend.

The beef futures contract — introduced on July 31 this year — was the first on an agricultural commodity traded on the African continent and the first in the world on chilled beef.

Safex said retailers who used the contract to hedge against a price increase would be able to pass potential savings of more than 50c/kg on to consumers this Christmas.

Trading started with the December contract opening at R8,80. Over the next three months prices dipped as low as R7.55/kg following expectations of beef imports, but subsequently recovered to R8,30/kg at the contract expiry.

Beef retailers who bought December beef futures contracts on November 24 for R7,70/kg resold them on December 6 for R8,27/kg, when the average wholesale price was R8,40/kg.

Safex said instead of paying R8,40/kg for wholesale beef, the retailer would have paid a net cost of R7,83/kg.

Producers who sold December beef futures contracts on September 11 for R8,00/kg, repurchased the contracts on November 11 for R7,70/kg, making 30c/kg profit to compensate for the fall in price.

Instead of getting R7,45/kg on November 11, when the wholesale price was R7,45/kg, producers achieved a return of R7,75 minus R7,45 from the physical delivery of the cattle plus the 30c/kg payout from the futures market.

Safex said speculators who reasoned they could potentially make more money trading in a "volatile commodity", rather than gold, "turned out to be right this time."

Bulls who went long on 10 December beef futures contracts on November 16 resold on December 6, realising a profit of R14 400.