

WHEAT.

1975 - 1976

1975		1976	
Area	Yield	Area	Yield
1		1	
2		2	
3		3	
4		4	
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98		98	
99		99	
100		100	



MR. SCHOEMAN
DAILY DISPATCH
No bread
22/8/75
price rise

PRETORIA — The price of bread will not be increased from the start of the new season on October 1, according to the Minister of Agriculture, Mr. H. Schoeman.

If the price of wheat were increased, and bakers and millers were given bigger margins, the bread price would be pinned down by a higher subsidy, he said here yesterday.

Within three weeks, the minister said, agreement should be reached on the new wheat price. Discussions were in progress with the Marketing Council and the Wheat Board.

Mr. Schoeman said like all other sectors of the agricultural industry, wheat farmers' costs had risen sharply during the past year. But even if the price were raised, and bakers' and millers' increased costs were also taken into account in adjusting their prices, the consumer would be protected from an increase in the bread price by an additional subsidy.

The current subsidy was R70 million a year. — SAPA.

2266
③ Agri - Wheat

State to increase bread subsidy

Daily Dispatch
29/8/75

PRETORIA — The Government will increase the bread subsidy by R20 million to R90 million to support the present bread price, according to the Minister of Agriculture, Mr. Hendrik Schoeman.

He announced here yesterday that the price of wheat had been increased for the 1975-76 season from R95,16 a ton to R108,80 a ton.

The increase of R11,64 cents a ton is more than a ten per cent hike.

Mr. Schoeman said the new price was lower than that asked for by the Wheat Board.

"The Government is prepared to allow fully the production cost rises since last year but under current economic conditions, could not see its way clear to accepting fully the further increases proposed by the Wheat Board."

The increase in the wheat price plus the higher costs of millers and bakers would be met with an increased Government subsidy.

"The price of the standard white and brown loaves will not be increased. The subsidy on bread is now about R90 million, the minister said.

The subsidy was increased in an attempt to combat rising living costs.

The wheat board had also decided to pay producers R550 a ton from its profits on exports. This would be for wheat delivered to the board between October 1, 1974 and September 30 this year.

The minister announced increases in the prices of barley, oats and rye—barley by R11,74 a ton to R102,03; oats by R4,36 to R76,36; and rye by R8,69 a ton to R95,00. — DDC.

- ① Agri - Wheat
- ② Agri - Marketing Cont B.
- ③ Zub

Wheat estimate

THE FOURTH estimate of the 1975-76 wheat crop is 1,325,000 t, against the previous estimate of 1,315,000 t and last year's production of 1,596,000 t, says the Department of Agriculture. The fourth estimate of oats is 105,000 t against a previous estimate of 111,000 t and last year's production of 108,000 t. The estimate for barley is 72,000 t, unchanged from the previous estimate and 60,000 t. Rye is unchanged at 1,000 t against 5,000 t last year. **Reuter**

~~2~~
Agriculture Wheat

Agriculture - Wheat

F.M. 12/3/1976

Wheat bleat

B C de la Harpe, Fouriesburg, OFS:
A crime is being perpetrated. The wheat farmer is being martyred for the sake of expediency.

I think consumers ought to be aware that the cost of wheat production in the eastern Free State is now R160/ha (each ha yielding 1,2 t). This means that every hectare of wheat planted results in a loss (at approximately R98/t average for grades A1, A2, B2, B3 less levy) of R42.

So how do we farmers survive? We cut the only things we can — wages, our own salary, improvements, training, implement maintenance and insurance.

In other words we're going downhill fast because of a government that insists on controlling our wheat price.

It would be easy to switch production away from wheat, but is this right?

Mr de la Harpe deserves praise for a very detailed cost analysis accompanying his letter, which he has rightly referred to the Wheat Board.

However, the Department of Agricultural Economics and Marketing comments:

- No two farmers' costs are the same. Some will show a high cost, others less.
 - The official cost analysis is based on the Western Cape area only. Production costs in the Free State are believed to be lower than in the Cape, and for this reason Cape farmers are opposed to including the Free State.
 - Costs are only one factor in determining producers' prices. Others such as the size of the crop and consumption trends are taken into account.
 - Wheat production in the Free State has increased more than in any other province. The percentage figures for the period 1970-71 to 1974-75 were: Cape 41,4; Free State 46,2; Transvaal 11,8 (this does not include the new summer wheat deliveries from the Springbok Flats) and Natal 0,6.
- This would surely not be the case if wheat production in the Free State were not a paying proposition.

WHEAT

1977

+

1978

Senate Hansard 6 Q no 47

22/3/77

Subsidies on wheat flour/meal/bread

59. Senator A. BOZAS asked the Minister of Agriculture:

- (1) What amounts were paid in subsidies on wheat (a) flour, (b) meal and (c) bread during each financial year from 1972-'73 to 1975-'76;
- (2) what is the estimated subsidy for the financial year 1976-'77.

(3) wheat

The MINISTER OF AGRICULTURE:

(1)	Flour (cake flour) R	meal R million	bread R
1972-'73..	—	37 870	—
1973-'74..	—	24 804	—
1974-'75..	—	50 238	—
1975-'76..	—	74 964	—

(2) R72,0 million.

Senate Hansard 7

@ col 57-58

31/3/77

Subsidy on wheat-meal

66. Senator A. BOZAS asked the Minister of Agriculture:

What is the estimated saving for the financial year 1976-'77 and 1977-'78, respectively, on the subsidy on wheat-meal as a result of the increased price of meal and bread.

③ wheat

The MINISTER OF AGRICULTURE:

1976-'77	1977-'78
R35,58 million	(1.4.77—30.9.77) R30,50 million*

*Estimate in respect of the full financial year 1977-'78 not possible as wheat prices for the 1977-'78 season (1 October 1977—30 September 1978) have not yet been fixed.

WP FARMERS FACE LOSS OF R4,5-M

By William Barker

WHEAT farmers in the Western Cape face losses of millions of rands, following heavy rains which have flooded fields in several low-lying areas.

Agricultural experts in Stellenbosch estimate that as much as five percent of the region's R90-million wheat crop is in danger — representing a loss of about R4,5-million.

Farms near Gouda, Klipheuwel and Malmesbury have been hit hardest.

Stands of wheat are beginning to turn yellow as a result of being immersed in water too long.

But today's sunny weather over most of the Western Cape gave hope to farmers.

'If the rains stop the affected wheat can still recover,' said a spokesman for the winter rainfall region. 'But if the wet conditions continue then things could begin to look serious in the weeks ahead.'

The situation has been aggravated by the cold, windless and overcast weather.

Up to three times the usual average rainfall has been recorded in recent months.

Farmers in the Piketberg district have been unable to move vehicles into their waterlogged wheatlands to spray or fertilise crops.

CONCENTRATED

A representative of a fertiliser company in the area said it would not be possible to assess the damage to crops at this stage.

'Last year there were also very heavy rains and the crops were good,' he said.

'This year's rains have, however, been more concentrated.'

Wheatlands in the area bounded by Worcester, Bredasdorp, Ladysmith and Riversdale, to the east of the Peninsula, have not been affected by the rains.

In other parts of the Western Cape heavy rains have softened the shoulders of the roads and several reports of vehicles being bogged down have been received.

In the Peninsula sports administrators were examining playing fields this morning to decide whether they would be ready for today's fixtures.

Players were unable to practise at Newlands yesterday for today's Currie Cup match between Western Province and Western Transvaal.

The weather office at D. F. Malan Airport predicts a fine, warm weekend.

Cape Flood Havoc WHEAT FIELDS HARD HIT

FLOODS, serious damage to crops and earthslides have occurred in many places in the Western Cape in the wake of almost incessant rain.

Many towns have reported double their normal rainfall figures and low-lying areas have turned into quagmires.

Hardest hit are the Swartland wheat farms, where large yellow patches indicate dying crops, the orange farmers in the Citrusdal area, and residents in Eisle's River and on the Cape Flats.

Citrus farmers cannot pick their oranges during the heavy downpours and they fear the oranges may over-ripen on the trees.

FLASH-FLOOD

A flash-flood hit the Swartland town of Malmesbury yesterday and some business premises and sportsfields were flooded.

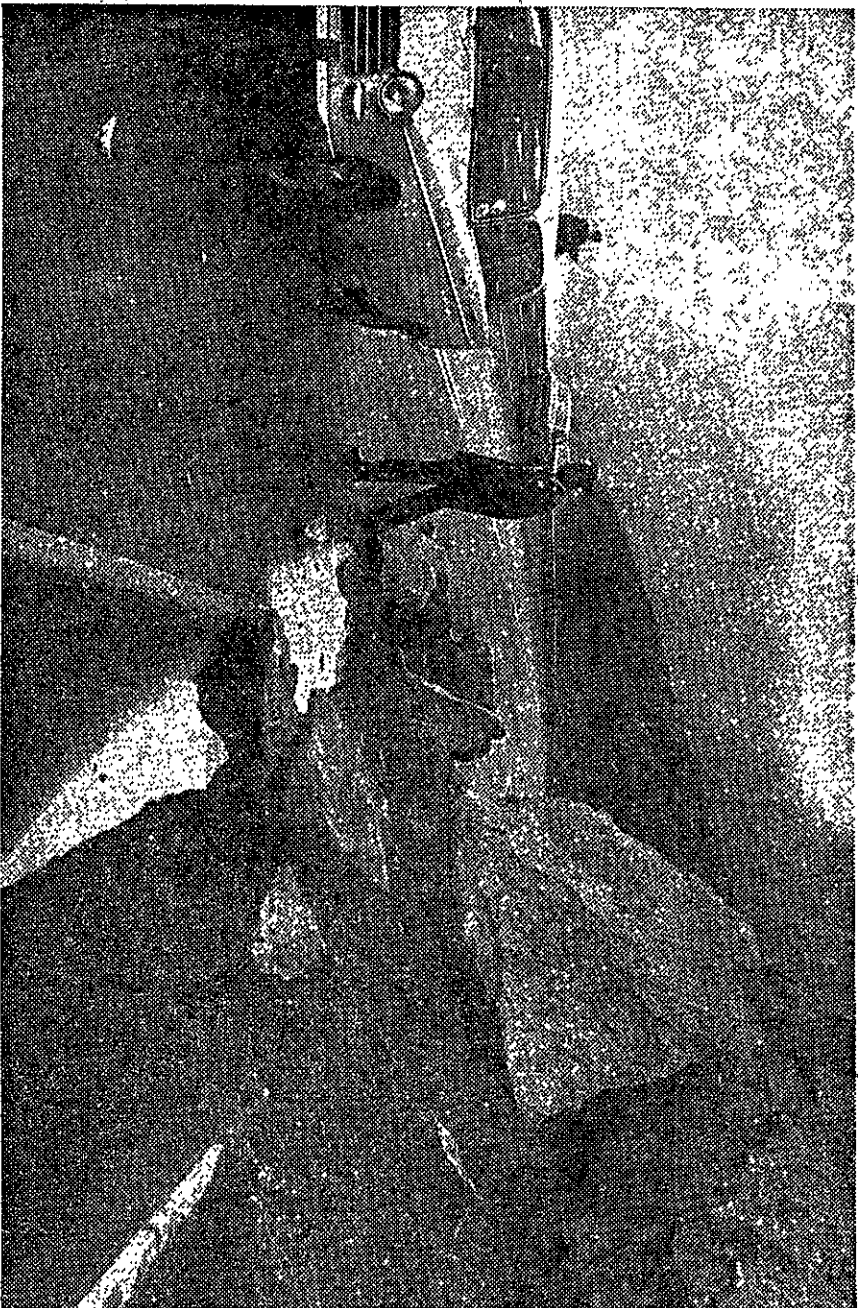
At Oudekraal, meanwhile, traffic officers were guiding traffic round the boulders partly blocking the road.

Farmers in the Agter Paarl area estimate that they would lose 20 percent of their wheat crops this year and that if the rains continue the loss could escalate.

TOO EARLY

A spokesman for the Department of Agricultural Technical Services in Malmesbury said that it was still too early to estimate the damage to wheat in the area, although it would be significant.

Today's sunshine, however, gave fresh hope to farmers.



BOULDERS from the retaining wall at Oudekraal crashed down on the road early today. Guiding traffic past the obstruction is Divisional Council traffic officer A. M. 'Tommy' Thomas.

3 - West



The town's bridges were closed to traffic when a floating tree posed a threat to motorists. The river has dropped again, and most of the roads have been reopened.

Miherton's Town Engineer, Mr. S. P. Wood, and his assistant were called to the bridge near Killarney today when the Diep River began to lap across it.

IMPASSIBLE

The bridge on Otto du Plessis Drive near Racecourse Road would probably be impassable to traffic during the early afternoon today, said Mr. S. P. Wood.

He said the flood peak from the Malmesbury cloudburst and high tide in Diep River would coincide, but that any flooding would not last long and the bridge should be clear for the afternoon rush-hour.

A 10-metre rockslide crashed on to the coastal road at Oudekraal early today when part of the retaining bank collapsed.

There was also a minor landslide at Chapman's Peak.

ROAD CLEARED

By early today Divisional Council workers had cleared the Chapman's Peak road for traffic, but cars were still being sprayed by rainwater rushing down the rock face.

A flash flood of the Diep River in Malmesbury has caused more than R100 000 damage to a meat processing plant in the town.

The local rugby field and tennis courts were also flooded when the river broke its banks about 3.15 pm yesterday.

Mr. A. J. Liebenberg, managing director of the plant and butchery on the banks of the river, said the water had run about 12 cm deep through the factory.

WHEAT PRICE

Chaff for farmers

The Wheat Board meets next week to finalise its price recommendations for the season beginning on October 1. The chances are that if the present producer price of R123/t rises at all, it will be by the thinnest of margins.

Partly as a result of the high return they expected from wheat, farmers in

the season produced a bumper harvest of 2.126 Mt, about 0.5 Mt higher than local consumption.

After unsuccessful efforts to persuade feed manufacturers to raise the wheat content of animal feeds, the Board embarked on a costly export programme. With world grain prices weak, losses were crippling. The average realisation on export cargoes was less than half the producer price, and the Board had to drop its prices several times to attract buyers.

Despite a R23/t levy on producers since June 1 to help cover these losses, the Reserve Fund has sunk since January from R25m to about R5m. "We didn't want it to go lower than that, and were thus forced to stop exporting about six weeks ago," says Wheat Board manager Dennis van Aarde.

Just as well. The remaining stocks of 30 000 t are going to be needed. First estimates point to a crop of only 1.55 Mt next year. The final figure (which will not be known until next February) could be considerably lower. Van Aarde, however, says he is confident that "the possibility of running into a shortage is negligible".

The present levy (which in effect means a producer price of R100/t) is scheduled to come to an end on September 30. But in order to build up the Reserve Fund, the levy is likely to be

contortus, dracunculoides serrata, Setaria flabellata, Harpochloa falx and

Eragrostis capensis. Where breakdown of the basal cover has taken place

Eragrostis plana and Eragrostis gummiflua may occur.

This community is derived from the Elionurus argenteus, Eragrostis chloromelas, Themeda triandra community which occurs on Avalon soils, is associated with the cooler slopes of the pediments and has a low intensity of selective grazing. Selective grazing and fire (Roberts, 1973) favours the increase of Elionurus argenteus as it is not readily grazed except when young. Accompanying species are grazed and destroyed being replaced by Elionurus argenteus (de Klerk, 1947ii). Elionurus argenteus cannot withstand heavy grazing or trampling as is demonstrated by its complete absence from pathways and tracks where it is normally replaced by Eragrostis chloromelas and other

distributed over the entire pediment on slopes of less than six

FM 15th July 1977
③ wheat

lutton forms than the triandra group and shows

Pogon contortus, as chya leucothrix.

oils. A number of andiglumis, Eragrostis

have an increased us type.

that as they occupy the inflexion between

classified as Mispahs.

grey-brown (lgybr) hue

is very finely stippled, being the result of variation in

ints.

Elionurus argenteus - dominant grassland community as

96, 22, 21, 48, 113, 103, 123, 115, 135, 38, 37,

in this community is dominant and forms almost pure stands

always a few occurrences of Themeda triandra, Heteropogon

contortus, dracunculoides serrata, Setaria flabellata, Harpochloa falx and

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Koringprys

State Rapport 24/7/77

uitgestel

③ Wheat

tot in Sept.

DIE vasstelling van die koringprys vir die nuwe seisoen wat op 1 Oktober begin, is uitgestel tot in September vanweë onsekerheid oor die omvang van die verwagte koringoes.

Swak klimaatstoestande die afgelope paar maande kan veroorsaak dat die oes baie kleiner is as wat aanvanklik geskat is en dat daar selfs nie koring sal wees om uit te voer nie.

Winterkoring in die Vrystaat is vanjaar glad nie goed nie vanweë die droogte, terwyl daar in die Swartland weens te veel reën weer baie skade kan wees. Die koringoes op die Springbokvlakte in Noord-Transvaal was ook glad nie so goed nie.

Volgens die Koringraad kan die posisie egter vorentoe vinnig verander, veral as die Vrystaat goed reën kry hier in Augustus. Dan kan vroeë lente-aanplantings die posisie weer vinnig verander.

Uitvoer

Die swakker oesvoorsigte saam met die baie lae prys wat nou vir uitvoerkoring behaal word, het die Koringraad laat besluit om die uitvoer van die bestaande surplus koring op te skort. As die oes nie verbeter nie, kan hierdie surplus dalk nodig wees vir binne-landse verbruik.

Die verwagting is dat die Koringraad nou vroeg in September 'n aanbeveling oor die koringprys sal doen en dat die huidige heffing van R23 per ton dan ook weer in heroorweging geneem sal word. Indien die oesvoorsigte teen daardie tyd nog nie aansienlik verbeter het nie, sal die heffing afgeskat of aansienlik verminder word.

Heffing

Die pryse vir gars, hawer en rog sal ook by dié geleentheid vasgestel word.

Die swakker koringoes en die verwagting dat Suid-Afrika nou heelwat minder koring sal uitvoer, is eintlik 'n bedekte seën, veral vir die Koringraad se stabilisatiefonds. Daar is nog geen verbetering in wêreldpryse nie en die verwagting is dat dit nog verder sal daal.

Die buitelandse prys is op die oomblik in die omgewing van R80 per ton. En as die laer kwaliteit van Suid-Afrika se koring plus voerkoste hiervan afgetrek word, sal dit die Koringraad laat met 'n netto prys van minder as R60 per ton.

Ons verwag nie dat die Koringprys verhoog sal word bo verlede seisoen se R123 per ton nie, maar dat die huidige heffing van R23 per ton aansienlik verminder sal word.

New plan to boost brown bread quality

STAR 12/9/77.

3-Wheat

The Wheat Board is investigating suggestions that the quality of standard brown bread be improved by reducing the regulated bran content.

The milling industry feels that the bran content required by regulations in standard brown bread should be reduced to prevent crumbling loaves.

In his chairman's report, Mr Joe Bloom, chairman of Premier Milling, said there were certain factors in the baking industry which prevented the production of a loaf of standard brown bread.

"In South Africa the baking quality of much of the wheat produced is relatively poor and at times it is extremely difficult to produce quality bread from the flour prescribed by regulations for that purpose.

REDUCING

It is to be hoped that representations at present under consideration to amend these regulations will be successful. This would also have the added advantage of absorbing more wheat in this country and reducing the losses at present being incurred on the export markets," he said.

Mr D S van Aarde, manager of the Wheat Board, said today that the millers' feelings were that the regulation extraction rate for brown bread be reduced from 90 percent to 87 percent. This would reduce the bran content, which was responsible for the crumbling which consumers complained about.

"We have appointed a special committee to go into the matter," said Mr van Aarde. "If we feel that we can support such a suggestion by a marked improvement in quality we will most probably take a decision and then report to the Government."

W
 tsokotsa, tsokotsela.
 Wage, v., ho etsa; *zage zur agant*, ho furuhala, ho loantsa.
 Wager, n., phoo; v., ho phea khang.
 Waggon, n., plur., moputso. a
 Waggon, n., koloi.
 War, n., *without an owner*, ntho ete le ete e se nang mong a eona; a *wandering child*, ngwana ea se nang bahilo ba hae.
 War, v., ho lla, bohola, luma-luma.

153
 Waiting, n., lillo, poboli.
 Waiter, n., lethaha.
 Waitcoat, n., onnorobaki.
 Wait, v., *to expect*, ho lebella, lula, emela, leta; *to remain quiet*, ho ema, ho ea butle, bea pelo kholo maosato; *to wait for*, ho emela, leta; *to wait upon*, ho sebetse; *in wait*, ho lalla; *wait a little*, bea pelo!
 Waiter, n., mohlanka ea sebetsehang ba lutseng lijong.
 Waiting, n., tebelo, kenelo.
 Wakeful, adj., e lebelang, falimèhang.

Waiting—Watch
 War, n., noa; v., ho lona, furuha; *civil war*, noa e hlahleng ma-hareng a batho ba sechaba se le seng; *man-of-war*, sechépe sa nura.
 Ward, v., *to keep in safety*, ho baba-lla, lebella, sireletsa; *to ward off*, ho phema, phemisa, gobisa; n., a *ward*, tebelo; a *stronghold*, qho-bosheane; *child under guardianship*, ngwana ea lisoang ke mothó mong ea khetsoeng hona.
 Warden, n., molebeli.
 Wardrobe, n., phapisi kapa lekese leo ho bohokang liaparo ho lona.
 Ware, n., plur., liphalo sa khoebó, warehouse, n., levenkela.

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KORINGHEFFING

SAKE-RAPPORT 25/9/77 ③ wheat

TERUGBETAAL

Deur VIC DE KLERK

KORINGBOERE van die Springbokvlakte en 'n paar besproeiing streke wat 'n heffing van R23 moes betaal op koring wat hulle gelewer het tussen Junie en einde September vanjaar, gaan binnekort die grootste deel van daardie heffing terugkry.

Die Minister van Landbou, mnr. Hendrik Schoeman, het vandeeweek aangekondig dat die koringprys onveranderd op R123 per ton gelaat word en dat geen spesiale heffings van toepassing sal wees vir die seisoen wat op 1 Oktober vanjaar begin nie.

Vroeër vanjaar was daar 'n koringoorskot aan die opbou. Die Koringraad moes hierdie oorskot teen 'n aansienlike verlies uitvoer. Om hierdie rede is daar 'n spesiale heffing van R23 per ton ingestel op koring wat van Junie vanjaar gelewer is.

Wêreldprys

Intussen het die wêreldprys van koring só skerp gedaal dat die Koringraad se potensiele verlies per ton opskiet het tot meer as R70 per ton. Die uitvoer van koring is toe gestaak. Om hierdie rede vervel die heffing van R23 per ton.

'n Woordvoerder van die Koringraad het aan Sake-RAPPORT bevestig dat 'n deel van hierdie heffing van R23 per ton kort ná die volgende raadsvergadering op 17 November aan die produsente terugbetaal sal word.

Die Koringraad het egter sekere kostes gehad met die berging ensovoorts van hierdie koring. Die volle bedrag sal derhalwe nie aan die produsente terugbetaal word nie.

Die bergingskoste word op meer as R10 per ton per jaar geraam. Daar kan dus aangeneem word dat tussen R5 en R10 per ton van hierdie R23 afgetrek sal word.

Die feit dat die koringprys onveranderd gelaat is op R123 per ton ondanks aansienlike kostestygings by die produsent, bevestig ons vermoede dat landboupryse oor die volgende twaalf maande nie veel gaan styg nie.

Mielieboere moet hulle nou reeds klaarmaak dat die mielieprys volgende jaar waarskynlik nie veel meer as die huidige R74 per ton sal wees nie.

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

Order of the Holy Paraclete

FR

CONFIRMATION
The
stipend con-
Ja Veld
and Andro
to Themedra

The
Themedra

FROM THE ACTING RECTOR

...however, been excessively overgrazed and the dense grass
...while MacClavelli, a few
...present is reduced to dwarf shrubs such as *Aster filifolius*
...this species, which has a
...for pioneer species such as *Arctostaphylos*
...the humanist form
...usually have a cover of *Hyparrhenia* but
...usually one 800m are statistically similar to the pedi-
...restriction
...the history of Florence
...the contrast between the
...difficulties arising from the contrast between the
...slopes just below the tree line are characterised by
...and short trees, mainly *Celtis africana*, *Olea africana*,
...sheaves, and the *MacClavelli* used the humanist
...Myrsine africana, *Rhamnus prinoides*, *Euclea crispa*,
...the basis of his historical analysis must be found
...*tata*, *Buddleia salviifolia* and *Diospyros australiana*
...to draw lessons from the past that would be of
...the
...critical value rather than moral value which
...and it is becoming a problem where we are able to
...humanist history
...with a wide black box covering a considerable part
...in the sandstone cliffs, actual forest may occur, and
...it accommodates itself indescribably well to the
...by Van Zinderen Bakker (1971) these forests have
...trees high and are commonly comprised of *Maytenus undata*,
...a selective history of Florence
...supported his theses (the
...severely damaged by cutting and
...are given detailed
...the strongest negative
...and
...for Our Lady
...Fr. Carr
...Fr. Silver
...Aster
...Fr. Carr
...responsibility at
...p. 209
...p. 220
...p. 236
...p. 238
...; p. 386

INTENTIONS

Prisoners awaiting execution
"Political" prisoners
Pass Law prisoners
and guards
and executors of the laws
may share a vision of the
peace for all South

Wheat Board's ruling ^{Sunday Times} ^(Business Times) may 2/10/77 be fought

BY CATHERINE LURIE

AN APPEAL may be made to the Minister of Agriculture against a Wheat Board decision to block an R8.8-million takeover bid by the giant food group, Tiger Oats.

Last month, the Board referred to the Agricultural Reference Board a deal in terms of which Tiger would have bought 51 per cent of the Ruto baking and milling group.

The deal had already been approved by the Oil Seed and Maize Boards but the Wheat Board's referral, after its executive committee had turned the matter down twice — and there were not enough disinterested members on the full board — effectively blocks the deal.

An official of the Department of Agriculture said this week that as there was a wide difference of opinion in the industry over the matter, an appeal to the Minister was expected.

Rueben Rutowitz, chairman of the Ruto group, refused to comment on the possibility of an appeal. George Antilevich, financial director of the Tiger group, also refused to comment.

The private secretary to the Minister of Agriculture said that in terms of the National Marketing Council Act of 1968, the onus would be on the private seller, Mr Rutowitz, to appeal to the Minister.

• To back page

③ wheat

③ WHEAT

WHEAT INDIGESTION

FM 28/10/77
Prospects for next year's wheat crop are looking better and better -- to the consternation of farmers.

The Department of Agriculture's second estimate was 1.732 Mt well above earlier guesstimates of a 1.55 Mt harvest. And Wheat Board GM Denis van Aarde reckons the Board's second estimate of 1.59 Mt will probably be revised upwards at the end of the month. Last year's final figure was 2.126 Mt.

Yields in the Swartland winter wheat region (where harvesting has just begun) are only slightly down on 1976. Westlike Graan Co-op in Malmesbury expects its farmers to deliver 85 90 000 t (96 000 t), while the Moorreesburg Wheat Farmers Co-op

reckons it will pull in some 80 000 t (90 000 t). Experts are hopeful that higher quality may compensate for lower tonnage.

Hail damage in the Free State has so far been negligible, and farmers are still able to plant their summer crops.

A wheat crop of around 1.7 Mt will leave a few hundred thousand tons over for export -- to swell the 200 000 t carry-over from last season.

"A good crop will put us in a predicament with our export programme," notes Van Aarde, since foreign prices are still well below local producer returns. What's more, there's little sign of stronger prices abroad. All hopes are pinned on possible grain purchases by the Russians.

DD 5/1/78 3-WHEAT

White bread up 5c a loaf

CAPE TOWN — The price of white bread jumps by five cents to 25c tomorrow, although South Africa has a surplus of wheat and has been exporting it at a loss.

This shock announcement, which follows hard on the heels of far reaching hikes in steel, sugar, fertilisers and other products, was made at a press conference yesterday by the Minister of Agriculture, Mr Schoeman.

Mr Schoeman said the price of a loaf of white bread had been increased to 25c because of continually rising costs which could not be covered by Government subsidy. The subsidy, which was cut in the last budget from R90 million to R60 million, has been reduced by a further R15 million this year.

Mr Schoeman said concern for the lower income group had prompted him to leave the price of brown and whole wheat bread unchanged. These loaves were of the same weight as white bread, and considered more nutritious.

The minister said a 20 per cent swing from white to brown bread was expected and if the switch was greater, the position would have to be reconsidered because "brown bread is so heavily subsidised."

There was an angry reaction from trade union and consumer spokesmen.

The vice-president of the Trade Union Council (Tucsa), Mr Andre Malherbe, described the increase as "absolutely unjustifiable".

"I don't think there is any way in the present

economic climate that a price increase of this magnitude in a staple commodity can be justified," he said. The move would be discussed at the next meeting of the Tucsa officers committee.

"The unchanged price of brown bread softens the blow to some extent. But if logic prevails everybody will switch to brown and the price will have to go up as well."

The Minister said wheat farmers were entitled to an increase of R8,09 a tonne which they did not receive. The producer price for wheat had not been increased this season. Millers and bakers had also faced cost increases and it was necessary to compensate the three groups for some of these, and a marked increase in the bread subsidy would be needed to contain consumer prices at the current level.

The ombudsman of the South African Council of Churches, Mr Eugene Roelofse, said the increase was the biggest in South African history and challenged the Minister "to eat some of the rubbish at present being sold under the guise of brown bread." — DDC.

SAI(2-);II(2-);G&LP(3);EI(3nx);SocI(CX);AFHI(2-);PInt(1*);PSIII(3*)
II(3);PubAdm(Senior)(3);Pst(2-);AFHI(2-);II(2-);HIII(2-);PSIIA(2-*)
I(2-);II(2-);Pst(2-);II(2-);Phil.I(1)II(3);EIII(3*);PSIII(3*)

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SAI(2-);II(2-);G&LP(3);EI(3nx);SocI(CX);AFHI(2-);PInt(1*);PSIII(3*)
II(3);PubAdm(Senior)(3);Pst(2-);AFHI(2-);II(2-);HIII(2-);PSIIA(2-*)
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II(3);PubAdm(Senior)(3);Pst(2-);AFHI(2-);II(2-);HIII(2-);PSIIA(2-*)
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1977
Course of Study : B.A.
Year of Study : 3
Candidate

75 SAI(3);EI(2-);II(2-);HI(3);II(3);PolSci(2-);II(3);ChofE.I(2**);EIII(2**)
) ;CAG&LI(2-) ;PolSci(2-*)
);LIII(3*)
);EIII(2-*) ;RelSci(2-*)
);ChofE.I(2-*)
3*) ;RelSci(3*)
III(3*) ;H&EII(F*) ;PSIIC(3*)
EIII(2-*) ;PSIII(2-*)
);HII(3*)
);AFIIR(ABS*)

③ Wheat

Star 12/1/78

Bakers are 'making nothing'

The baking industry is making absolutely nothing out of the 25 percent increase in the price of white bread. This was emphasised today by Mr D F van Aarde, general manager of the Wheat Board.

He said the aim of the increase had been "purely to bring down the subsidy on bread" and the industry did not make even a fraction of a cent out of it.

Earlier Mr Harold Goldberg of Checkers, one of the major supermarket chains, told The Star that a representative of his company would be raising the question of the reduced subsidy — it was slashed from R60 million to R45 million this year — in a television programme tonight.

He said the Minister of Agriculture, Mr Schoeman, had referred to the increased costs experienced by bakers and millers when announcing the bread price rise.

COLLECTED

Previously the bakers obtained a subsidy of 3,8c for every loaf of white bread baked. This was now being collected directly from the consumer.

And the additional 1,4 cents that made up the five cent increase in the price of a white loaf was now going directly to the Wheat Board.

So bakers were making nothing out of the increase. "Instead they are acting now as tax collectors for the Wheat Board," he said.

Mr van Aarde confirmed that the extra 1,4 cents was being paid by the baker to the Wheat Board. He said the Wheat Board was in turn paying this money back to the bread subsidy pool.

Homelands still get SA-subsidised bread

③ WHEAT *Summaries Express 15/1/78*

TRANSKEI and BophuthaTswana, South Africa's two independent homelands, still get bread subsidies from the South African Government — and the taxpayers.

This was disclosed this week in Pretoria by Mr Daniel van Aarde, manager of the Wheat Board.

A spokesman for the Department of Agricultural Economics and Marketing said last year the bread subsidy paid to Transkei was about R1,8-million.

With the removal of the subsidy on white bread, he was unable to estimate how much it would be this year.

Since BophuthaTswana

By JEAN LE MAY

only became independent last month, figures were not yet available, he said.

Mr Van Aarde also disclosed that the 5c increase in the price of a white loaf would bring an extra R11,5-million into the Government's coffers.

With the removal of the 3,5c subsidy on each loaf, and the simultaneous increase from 20c to 25c a loaf, the Government would get the extra 1,5c on each loaf sold, and "not a cent will go to millers or bakers", he said.

This R11,5-million would go towards the subsidy on brown and wholewheat bread, Mr Van Aarde went on.

The Minister of Agriculture, Mr Hendrik Schoeman, removed the subsidy on white bread last week in order to keep the bread subsidy for the current financial year, which ends on March 31, down to R45-million, said Mr Van Aarde.

Asked whether the subsidy on brown and wholewheat bread would be cut during the coming financial year, Mr Van Aarde replied: "That is the prerogative of the Minister."

Bruinbrood na hul smaak

③ wheat rapport 22/1/77

TALLE Suid-Afrikaners eet nou bruinbrood pleks van witbrood. Die swaai na bruinbrood word op tussen 15 en 20 persent geraam, noudat die prys van 'n witbrood met 5c gestyg het.

Kenner in die bakkershandel verwag nie dat die swaai na bruin veel meer as 20 persent sal wees nie.

'n Verdere verhoging in die prys van brood voorsien hulle ook nie vanjaar nie.

Mnr. D. van Aarde, direkteur van die Koringraad in Pretoria, het aan RAP-PORT gesê hy glo die swaai na bruinbrood sal op sowat 10 persent afplat. „Toe die prys van witbrood in 1976 met 4c verhoog is, was daar ook aanvanklik 'n groot swaai na bruinbrood. Dit het na 'n rukkie afgeplat tot net 2,6 persent,” het hy gesê.

Teen die huidige swaai

beteken dit dat sowat 100 miljoen meer bruinbrode vanjaar in die Republiek verkoop sal word. Verlede jaar is 400 miljoen bruinbrode in Suid-Afrika verkoop teen die verwagte 500 miljoen vanjaar. Altesame 790 miljoen witbrode is verlede jaar verkoop.

Mnr. Van Aarde sê die Regering subsidieer bruinbrood nou met 6c per brood. Op die prys van

witbrood word egter sowat 1¼c terugontvang ná die jongste verhoging. Ongeveer R20 miljoen wat so verkry word, kan gebruik word vir die groter subsidie wat benodig sal word as gevolg van die omgeswaai na bruinbrood.

Teen hierdie agtergrond is dit onwaarskynlik dat die prys van brood gou weer verhoog sal word, sê mnr. Van Aarde.

White bread dumping to be probed

Star 9/2/78 S-Wheat

Overproduction may be the cause of hundreds of loaves of bread (mostly white) being dumped at East Rand refuse tips each day.

Mr P. J. Bothma, clerk of the Kempton Park Town Council, said today that he knew about the bread being dumped but was not sure why or who the bakers were. He added that the town's health officers would be looking into the matter.

Many bakers have reported a big drop in the sales of white bread since the recent price increase. "There has been an all round swing to brown bread, and we are allowing for this swing," said Mrs Ina de Villiers a bakery spokesman in Germiston.

In the poorer areas the drop in consumption has been reported to be as high as 65 percent. In the richer areas there has only been a 10 to 15 percent fall.

A spokesman for Mimosa Bakery in Elsburg said his bakery had cut production of white bread by half since the price of a loaf had been increased to 25c.

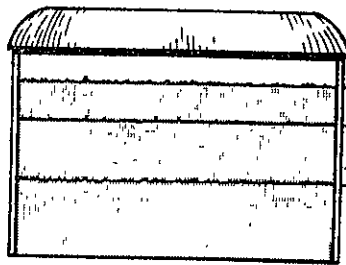
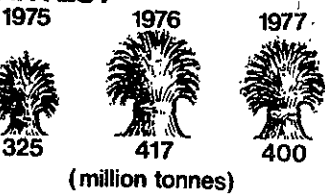
"I can understand dumping occurring a few days after the price increase while the bakers are getting used to the smaller demand for white bread. But a large amount a week for any length of time is madness," he said.

Wheat Board inspectors are investigating reports that tons of stale white bread are being disposed of at Kempton Park, reports the Pretoria Bureau of The Star.

Mr D.F. van Aarde, manager of the Wheat Board, said today he was awaiting full reports before issuing a statement.

WHEAT: the world's granary

HARVEST



STOCKS

1977	60
1976	56
1975	28
(million tonnes)	

Main exporters (% of world exports)

US	Canada	Australia	EEC	Argentina
45	21	14	9	7

Main importers (% of world imports)

Asia	N.Africa	S.America	EEC
45	12	11	9

TALKS in Geneva lasting six weeks failed to produce a new International Wheat Agreement. The forty delegations could not agree on the three objectives set: 1. The creation of buffer stocks; 2. Food aid for developing countries; 3. Prices.

A major UN conference on wheat, which it had been hoped would prevent the kind of food crisis that struck in 1974, was ended here recently without agreement on any of the key issues.

The ostensible aim of the six-week conference, held under the auspices of the UN Conference on Trade and Development (UNCTAD), was to renegotiate the current wheat agreement, which expires on June 30 and has now had to be extended for a year.

But its real impetus, as the 40 delegations taking part made very clear, was provided by the 1974 World Food Conference.

Six weeks of wheat talks yield little

Met in Rome

This met in Rome against a background of high prices and wheat shortages which had critical effects for developing countries already hit by high oil prices. At the same time, food reserves — the safety margin in the event of such a crisis — had been cut by bad harvests and huge U.S. exports to the Soviet Union.

As a result, the objectives that this conference set itself were threefold: first, to create a system of food stocks; second, to draw up a food aid convention under which a minimum of 10 million tons of food aid would be made available to developing countries a year (as the Rome Conference had recommended); and third, to stabilise wheat prices, which soared in 1975 after the Russian sales, but slumped last year by more than 10 percent, according to the UN commodity index.

It reached agreement on

IAN GUEST reports . . .

none of the three. A committee of 12 of the delegations will now meet to prepare an interim recommendation and report back when the conference reconvenes, not later than September.

The most instructive disagreement has come over stabilising prices, and it divided the nine European Economic Community countries from Canada and the United States. The EEC has a long history of regulating prices and subsidising its farmers, but the U.S. is the leading apostle of free trade — at least at UN meetings on trade.

The U.S. delegation, backed by Canada, argued throughout that it was simply not possible to regulate the prices of wheat and grains: the procedure was too complex. But behind that, in the opinion of one delegate, was an innate distaste of government interference — and a keen

desire to leave open the possibility of private companies continuing to sell grains in large quantities.

The huge Russian grain deal of 1973/74 caused much criticism that the Russians had "got through the back door" and bought cheaply. A five-year grain agreement was then signed under which the Russians committed themselves to buying a minimum of 6 000 000 tons a year from the U.S. for five years. The figure could top 8 000 000 tons if U.S. Government officials agreed. This year alone Russians are expected to buy up to 15 000 000 tons after yet another disappointing harvest.

On the other side was the EEC, with its own interests. Its delegates argued that it was both possible and desirable to fix minimum and maximum price. These would control price fluctuations. But they would also,

SOUTH African wheat production is between 1 700 000 and 2 200 000 tons a year, and the country has not imported wheat since 1972. It is, of course, a major exporter of secondary grains. The S.A. delegation at the conference was firmly on the side of the European Economic Community's argument that a wheat agreement excluding coarse grains would be unworkable.

South African negotiators also agreed with a system of fixed minimum and maximum prices as demanded by the EEC and most of the other wheat importing nations. The United States and Canada were against this system.

DEMAND

FOR A BETTER LOAF

QUOTE

③ Wheat

11/6/78 Ind Tribune

by Mr Dennis van Aarde, Wheat Board manager

"... in the past month the quality of bread has gradually deteriorated ..."

Official inquiry ordered

By Penny Swift

THE quality of bread throughout South Africa has deteriorated in the past month and the Wheat Board will launch an inquiry to find out why.

Mr Dennis van Aarde, Wheat Board manager, said that during the past four weeks the board had received complaints from consumers who had bought sub-standard bread.

"It's the first time in six months we've had complaints and they are country-wide," he said.

Most complaints were about brown bread.

"Last year we introduced regulations to prevent bakers using too much water in bread. These prescribed a

minimum dry-solids content," he said.

"At first there was a marked improvement. But in the past month the quality of bread has gradually deteriorated."

The main problems seemed to be with loaves which were difficult to slice because they were crumbly and had loose crusts.

The board was collecting evidence of sub-standard bread and would take action as soon as possible.

Subsidy

More than a year ago the Government subsidy was shifted from the mills to actual bread sales. At the time Mr van Aarde told the *Sunday Tribune* this would make control more difficult.

There had been only 60

mills to check and control — and there were about 600 bread manufacturers.

He said the new system meant much more work for the Wheat Board.

With only 20 inspectors in various parts of the country, it was "virtually impossible" to watch all bakeries as carefully as they would like to, he said.

"We do inspections, on average, every three months. But sometimes specific problems arise and they get preferential attention."

One collection of evidence the Wheat Board will have to consider during its investigation is "a motley looking parcel" of sub-standard bread samples sent by the Pietermaritzburg Housewives' League.

League chairman Mrs Mercia Watkins said the

bread in Pietermaritzburg had deteriorated since bakers in the city promised to bake better bread more than six months ago.

Some of the samples were crumbly slices, some were loaves and half-loaves with crusts that had lifted off, and others were doughy, smelly and sour, she said.

Plastic

"The bread was bought at random in Pietermaritzburg and outlying areas," said Mrs Watkins.

"The bakers say the bread gets sour and smelly when it is put into plastic bags while it is still hot. This isn't true because I've bought sour smelling cold bread which has not been wrapped in plastic. They also say inferior wheat is being used."

Mrs Watkins' theory is

that the Pietermaritzburg bread is being underbaked despite the dry-solids content regulations. She said bakers had admitted last year putting stale bread into the fresh dough. They had promised to stop, but the crumbly texture of some bread made it possible that they were carrying on.

Mr van Aarde said it would take a little time to pin-point the exact cause of Pietermaritzburg's bread problems.

"The bakers often blame the flour; the millers blame the wheat; and we are faced with a chain reaction. We have to trace the true origin of the problem."

"With the usual quality of wheat, flour and meat the industry should be in a position to produce acceptable loaves," he said.

BROODPRYS

Subsidie is gedaan

③ WHEAT

RAPPORT 2/7/78

Deur DAVID MEADES

DIE prys van bruinbrood gaan op 1 Oktober taamlik sterk verhoog word. Dit sal die eerste van waarskynlik 'n paar prysverhogings wees om die prysgaping tussen wit- en bruinbrood te vernou. Koringboere kan hulle ook klaarmaak vir 'n stewige verhoging in die koringprys.

Terselfdertyd lyk dit of die huidige subsidie van R45 miljoen wat vir bruinbrood opsy gesit is, net-net tot die einde van die huidige koringseisoen gaan hou, wat op 30 September eindig.

Dit is die belangrikste afleidings wat gemaak kan word uit 'n ondersoek wat Sake-Rapport vandeeweek hieroor gedoen het. Dit het ook geblyk dat:

- 'n Dramatiese omme-swaai van witbrood na bruinbrood plaasgevind het nadat die subsidie op witbrood opgehef was;

- Die R20 miljoen wat sen. Owen Horwood in sy Begroting vroeër vanjaar as 'n „kossubsidie” opsyge-

sit het, gebruik gaan word om die prys van brood te subsideer;

- Die koringboere in die Winterreënstreek 'n kwaai terugslag gekry het en hulp dringend nodig het;

- Die streekproduksiepa-troon van koring ingrypend verander het.

Uit syfers wat aan Sake-Rapport verskaf is, blyk dit dat die verhouding tussen witbrood en bruinbrood nou 37 persent teenoor 63 persent is. Voor die ophef-fing van die subsidie op witbrood het witbrood 65 persent van die totale ver-buik verteenwoordig.

Met die opheffing van die subsidie is die prys van witbrood baie sterk tot 25c per brood verhoog. Die prys van bruinbrood is 16c.

Aanpassing

Bruinbrood word deur die Regering gesubsidieer tot die orde van nie minder nie as 6c per brood. Hier-voor is R45 miljoen bewil-lig en aan Sake-Rapport is gesê dat ons gelukkig gaan wees as hierdie subsidie end-uit gaan hou.

Verlede jaar het die Re-gering besluit om die ko-ringprys nie te verhoog nie en dit het onveranderd op R123 per ton gebly. Dit was nadat die koringboere 'n bewese koste-styging van R8,09 in hierdie seisoen gehad het.

Daar word geraam dat koringboere vanjaar weer 'n kostestyging van sowat R8 per ton gehad het, wat 'n aanpassing in die koring-prys geheel en al onvermy-delik maak. Daar word nou gepraat van 'n verhoging van tussen R12 en R15 per ton.

dinge dat die huidige om-meswaai van wit- na bruin-brood vorentoe sterker kan word, wat natuurlik tot ge-volg sal hê dat nóg groter druk op die subsidie ge-plaas sal word.

Voor die opheffing van die subsidie op witbrood het die totale subsidie sowat R70 miljoen per jaar beloop. Dit is bekend dat daar in owerheidskringe gevoel word dat die brood-subsidie te groot begin word het.

Maar soos sake nou staan kan dit oor 'n volle jaar gebeur dat 'n totale subsi-die van by die R60 miljoen of selfs meer kan nodig word.

Daar kan egter ook met redelike sekerheid gesê word dat die gesamentlike las van 'n verhoogde ko-ringprys en groter druk op die subsidie nie net so op die verbruiker oorgedra sal word nie.

En dit is hier waar daar gevoel word dat die R20 miljoen wat sen. Horwood eenkant geplaas het as 'n moontlike kossubsidie, ge-heel en al sy weg na die broodprys gaan vind.

Die omme-swaai van wit-brood na bruinbrood het nou ook nog boonop die gevolg dat daar minder koring gebruik word. Omdat bruinbrood meer semel het, kan tot 154 bruin brode uit 'n sak koring gehaal word, teenoor die 147 wit brode.

Dit sal 'n dempende uit-werking op die binneland-se vraag hê, wat kom in 'n stadium dat veral koring-boere in die Winterreën-streek noustrop trek.

Ons se...

IN Suid-Afrika is daar beswaarlik 'n huishouding waar 'n mens brood nie sal kry nie. En hierdie produk van die koringaar maak veral 'n belangrike deel uit van die daaglikse voedsel van die laer inkomste-groepe.

Wanneer daar dus 'n verandering in die prys van ons daaglikse brood kom, kan die uitwerking op ons beursies gevoel word. En as daar nie genoeg in die beurs is nie, is al uitweg minder brood.

Met die opheffing van die subsidie op witbrood vroeër vanjaar was daar 'n grootskaalse oorskakeling na die goedko-per bruinbrood.

Dit het tot gevolg gehad dat die brood-prys in die geheel gesien redelik in bedwang gehou is. Maar dit was hoofsaak-lik weens die feit dat die koringboer met dieselfde prys vir sy produk tevrede moet gewees het.

Soos ons hiernaas aandui, moet daar vanjaar ongetwyfeld aanpassings kom. Dit kan dalk beteken dat die staat sy subsi-diebeleid sal moet heroorweeg. En dan lyk dit ook of daardie R20 miljoen wat sen. Owen Horwood nog op stok het, hier met groot vrug op die water gewerp kan word.

28. Note the following important difference between English and Afrikaans. In English, the word "road" is a noun, as in "the road to the house". In Afrikaans, "pad" is a noun, but "pad" is also used as a verb, as in "die pad van die huis na die skool".

Meulenaars

Die Koringraad het egter nog glad nie oor die nuwe prys begin gesels nie. Dit word gewoonlik in Julie/Augustus gedoen. Die nuwe koringseisoen begin op 1 Oktober en die nuwe prys word gewoonlik heel-wat voor hierdie tyd aange-kondig.

'n Verhoging van tussen R12 en R15 per ton sal op 'n geraamde verbruik van sowat 1,6 miljoen ton klaar beteken dat 'n ekstra R19 miljoen tot R24 miljoen na die boer sal moet gaan.

Die meulenaars het ook vertoë gerig oor 'n aanpas-sing vir hul kostestygings, maar die aanduidinge is dat hulle nie te veel kan verwag nie.

Daar is ook sterk aandui-

29. In English, the word "road" is a noun, as in "the road to the house". In Afrikaans, "pad" is a noun, but "pad" is also used as a verb, as in "die pad van die huis na die skool".

The following examples will

Brown

bread

will ^{4/17/78}

(3 - wheat) go up

Mercury Correspondent

PRETORIA — A substantial increase in the price of brown and wholewheat bread from the start of the new wheat season on October 1 is certain, it was learnt here yesterday.

The Minister of Agriculture, Mr. Hendrik Schoeman, has indicated that the R4 million bread subsidy will run out by the end of September.

Although no accurate assessment of the extent of the increase has so far been made, it is expected to be at least 4c a loaf, bringing the price of brown bread to 20c.

From the start of new season, too, wheat farmers will get increases.

Also to get relief from the end of September are millers and bakers.

The main reason for the exhaustion of the R45-million subsidy is the steep and sustained rise in the sale of brown bread. The subsidy now being paid on brown bread is about 6c a loaf.

Before the price of white was raised to 25c a loaf last year, leaving a gap of 9c a loaf between brown and white bread, 65 percent of all bread sold was white and 35 percent brown.

The situation has been reversed, and the sale of brown is expected to reach 70 percent of total sales if the current trend persists.

It is understood, too, that the R10 million set aside by the Minister of Finance, Senator Horwood, in the Budget to bolster food subsidies, will be used to minimise the brown bread price rise.

Economists pointed out yesterday that unemployment was still rising and the average township Black was poorer now than he was a year ago.

STATE'S HALF LOAF COST RULE

7/2/75
T. 3-WHEAT
~~3-2~~

Mercury Reporter

THE secretary for Inland Revenue has ruled that it is illegal for dealers to charge sales tax on half loaves of bread.

Mr. A. A. Liebenberg, assistant manager of the Wheat Board in Pretoria, said yesterday that any dealer who charges sales tax on half loaves of either white or brown bread is breaking the law.

He said this decision had been made by the Secretary for Inland Revenue, Mr. N. van der Walt.

"Dealers are not allowed to charge tax on goods sold under 13c. This includes half loaves of white bread with a price of 12½c" said Mr. Liebenberg.

He said because of the "chaos" caused by the introduction of sales tax, no decision had been taken by the Wheat Board on whether or not dealers who charged tax on half loaves were to be prosecuted.

Mr. Vincent Lourenco, chairman of the Natal Tearoom Owners' Association, said in Durban yesterday that his association was considering the possibility of stopping the sale of half loaves of bread. "We feel very strongly about this," he said.

He said the Government's decision would encourage people to buy bread in half loaves to avoid paying tax. He claimed that this would cost tearoom owners money.

Cape Times 12/2/78
3 - ahead
**Wheat will be lost
if rains don't come**

THE acting director of Agricultural Technical Services at Stellenbosch, Mr A Viljoen, said yesterday if the Swartland did not get rain within the next 10 days most of the wheat crop would be totally destroyed.

"The Swartland is South Africa's most constant producer of wheat because this is one area where weather conditions are more or less constant. This drought is going to hit the farmers very hard, and of course if there is a shortage of wheat the price of bread will eventually go up," he said.

Stock farmers in the area were also being hard hit by the drought.

"The price of fodder for stock farmers is astronomical. The price for a bale of lucerne, if the farmer can get hold of it at all, is around R3,50, and the price of a sack of maize is about R12,80. One farmer already has a fodder bill of R35 000 and the average fodder bill for medium size farms in the area is between R150 and R200 a day," said Mr Viljoen.

In areas declared emergency grazing areas, farmers would receive a 75 percent rebate on the cost of transportation of fodder.

But although the drought will seriously affect the wheat farmers in the Swartland, Peninsula dwellers are unlikely to feel the effects in the immediate future.

According to Mr Viljoen there is little likelihood of a glut or shortage of either beef or mutton in the near future. The main production of the Peninsula's milk is in the Koeberg area, and Mr Viljoen said, the drought was having little effect on farmers there.

"Most of the dairy farmers use artificial fodder and buy natural fodder. There is little natural grazing utilized in that area, so the drought is not having a very detrimental effect on our milk production," he said.

"Of course the city dweller will ultimately be affected by the drought as any detrimental effect on our farming community is passed on to the general public. This drought comes at a particularly bad time for the wheat farmers of the Swartland as last year much of their crop was spoilt by floods. Sooner or later the city dweller is going to feel the results of this drought."

1. INTRODUCTION

Segmented or dual labour market theories (1) have strongly challenged the orthodox views of the classical and neoclassical economists (referred to forthwith as economists) and occur on the labour market. The economists (referred to forthwith as SLM economists) are deeply concerned with social justice and feel that traditional theories produce to explain adequately many events in the labour market. Thus the fact that methods of production strongly affected by technological change are to be viewed as being of scale are to be explained purely in terms of proportionality resulting from the operation of the labour market. Only on this basis can the SLM economists take issue with the neoclassical view that the failure of the market can be corrected by individual adaptation. The SLM approach is very much concerned with the relationship of policy problems of poverty and unemployment. The volume above all it becomes profitable to study the demand for labour on the basis of utility maximising behaviour. The theory of utility maximisation by workers. Employ hiring decisions on the basis of whether new employment is worth as much as they cost, whilst workers supply more leisure in proportion to the real wage. COST

When considering the analysis presented below, if position of Black workers and white employees and lends itself particularly well as a reference point the South African model is self-evident. It is not considered necessary. Volume 1

2. KEY ISSUES RAISED BY SLM ECONOMISTS

Diagram 4: Relationship between technique and volume of output. The most important social problem motivating the SLM economists is the persistence of poverty, which they feel is best understood in terms of a dual labour market. They perceive that the orthodox labour market and eliminating poverty requires that they gain access to primary employment (2).

SLM economists have criticised human capital theory on two grounds. Firstly education and training programmes for the disadvantaged failed to improve wages. Both educational resources and educational achievement are asserted to have been ineffective in realising income and occupational attainment. Secondly, the orthodox theory that education and earnings are related to productivity has been rejected by SLM economists. They argue that the two propositions can be reconciled for employment costs of production first rise and then rise. In production the "pure" Dismissal of "pure" workers is a dual separation of labour and output of the competitive market. SLM economists' perspective of standard competitive market behaviour. They argue that the two market differentials tend to be equalised in a competitive market. SLM economists feel that the level and market behaviour. Similarly SLM economists feel that the level and structure of unemployment cannot be explained by orthodox theory. A conceptual distinction between economies of scale are the result of the conceptual distinction between volume and rate of output.

(1) The theories, though not entirely uniform, of a group of labour economists in the U.S.A., which deal with segmented labour markets. Amongst the noted SLM economists are P.B. Doeringer, M.J. Piore, L.C. Thurow, R.E.B. Lucas and B. Bluestone.

(2) See M.J. Piore - "Jobs and Training" in the State and the Poor edited by S.H. Beer and R.E. Barringer (Winthrop Press, Cam., Mass., 1970)

3. A HISTORICAL PERSPECTIVE OF SLM THEORIES

SLM economists were certainly not the first to question the orthodox view of the labour market, and before analysing SLM theories it is necessary to trace their roots, which surely provided the inspiration.

J.S. Mill (3) pointed out in 1848 that wage differentials which compensate for the disagreeable nature of certain jobs would be the natural result of competition. However, he asserted that it would be false to regard this as the general relation between disagreeable and disagreeable employment. The worst jobs, instead of being better paid, receive the lowest remuneration, because they are performed by those who have no choice. Hardships and earnings are not directly proportional as the orthodox theory would predict, but are generally in inverse ratio to one another.

New bread price rise to come

STAR 1972/8
3-WHEAT

Own Correspondent

Drought-stricken grain farmers in the Western Cape are to receive State loans totalling about R40-million - and at the same time bread prices will be sharply increased.

This was said today by the Minister of Agriculture, Mr Hendrik Schoeman, in discussions with the farmers' plight with the Boland Agricultural Union.

Mr Schoeman made an extensive tour yesterday of the Swartland and the Ruens areas, which produce about 25 percent of the country's wheat crops.

"I could not believe my eyes... it is the worst drought since 1906 and the State will have to help," he said.

He said several areas had already been declared drought-stricken areas. They would be granted a 75 percent rebate on the transport of animal feed.

"The consumers will have to realise that they must help. We cannot afford to see the farmers go down. I am already deeply concerned about the fact that we are losing farmers."

He said new wheat prices would be announced in October. Bread increases were likely to follow soon afterwards.

"It is not something we like doing. It affects the poor man, the factory worker in Langa, Nyanga and Soweto. But with the financial situation the way it is, the State just cannot be expected to carry the burden alone."

- (3) J.S. MILLER: Principles of Political Economy: Volume 1 (The Colonial Press, New York, 1900)
- (4) Prominent institutionalists included Veblen, J.R. Commons, H.R. Seager and W.C. Mitchell.
- (5) Neo institutionalist economists included J.I. Dunlop, C. Kerr, N.W. Chamberlain, R. Marshall and C.A. Myers.
- (6) G.G. Cain - page 1227.
- (7) Structuralists included G.C. Killingsworth and G. Myrdal.
- (8) J. Maree - page 1.

Brown loaf may go up

Mercury Correspondent

PRETORIA — A rise in the brown bread price appears to be inevitable from the start of the new wheat season on October 1, the Minister of Agriculture, Mr. Hendrik Schoeman, said in an interview here yesterday.

And labour leaders pleaded for higher State subsidies — “an investment in security” to prevent another bread price rise.

The main reasons for the almost certain price rise, the Minister said, were:

Wheat farmers had not had an increase in price for two years during which time there had been a steep escalation of production costs.

The 45-million subsidy pool was nearly exhausted and

Millers and bakers had to be compensated for higher production and distribution costs.

Mr. Schoeman said the extent of the increase would depend on the amount of the Government subsidy for the new season.

“If we get another R45 million plus the R20 million the Minister of Finance allocated for basic food subsidies in the Budget, then it is barely possible we may be able to avoid an increase in the bread price.”

If there was an increase, he said, it would affect only brown bread.

A spokesman for the Wheat Board said the sale of brown and wholewheat bread had zoomed to more than 65 percent of total bread sales.

If the producers' price for wheat is raised— and it is certain it will be—all wheaten products, including flour and all bakers products will also rise.

Labour leaders pointed out yesterday that this year all basic foods, including sugar, milk and mealie meal had increased in price.

Essential services like power, bus fares, and essential commodities, like coal and paraffin, had also risen in price.

They stressed that, this was against a background of still rising Black unemployment.

Mr. Philip Myburgh, the PRP's chief spokesman, said: “Even a small increase so soon after the introduction of GST could have a disastrous effect on poorer families who are already experiencing real hardship.”

He welcomed the aid Mr. Schoeman had promised farmers in the wheat district but he should also think about the consumer.

R40-m to farmers, bread to go up

3-Wheat

Aug 19/78

By a Staff Reporter

DROUGHT-STRICKEN grain farmers in the Western Cape are to receive State loans totalling about R40-million — and at the same time bread prices will be increased.

This was stated today by the Minister of Agriculture Mr. Hendrik Schoeman, during discussions of the farmers' plight with the Boland Agricultural Union.

Mr. Schoeman, yesterday made an extensive tour of the Swartland and the Ruens areas, which produce about 25 percent of the country's total wheat crops.

Mr. Schoeman addressed the congress of the BAU, and then took part in a lengthy question-and-answer session.

He said several areas had already been declared drought-stricken areas. They will be granted a 75 percent rebate on the transport of animal feed.

About R40-million, in the form of Land Bank loans to the co-operatives will be made available at a 9 percent interest rate. Loans may be paid back over four years.

'We must set a period, but if we find the time is not enough for farmers to recover fully this may be extended,' he said.

He invited the various co-ops to put their needs to the Department of Agriculture.

He made it clear that the price of wheat would have to be increased, as well as that of bread.

This is a sensitive matter, and there will be an outcry — but we still have the cheapest bread in the world.

'But the consumer will have to realise that they must help. We cannot afford to see the farmers go down. I am already deeply concerned about the fact that we are losing farmers.'

Referring to the loans to be made available, he said: 'The farmers don't ask anything for nothing. They need the money to

(Continued on Page 3, col 2)

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3) TROTSKY, L.
2) ENGLIS, F.
1) BOTTOMORE, T.

REFERENCES:
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Star 29/8/78

3-WHEAT

OFS comes to wheat rescue

By Anne Colley

Although severe droughts have brought the Western Cape wheat belt virtually to its knees, the country's total 1978/79 crop should surpass expectations — thanks to the exceptional performance of the OFS where more than half the country's wheat is grown.

Current estimates place the amount of wheat lost in the Cape, through droughts, at 280 000 tons which at the present season's prices is worth about R34m.

But this potential loss to the country's domestic accounts will be more than made up for by the OFS harvest. This is expected to bring in 1.4m tons of wheat by the end of the season in September 1979 — at least half as much as originally expected.

The total South African crop is now expected to reach 1.95m tons, some 200 000 tons more than

first estimates bargained for.

The situation in the Western Cape is serious, according to Mr D van Aarde of the Wheat Board. Having recently returned from an investigative trip to the area he reports that "the drought in the Swartland in particular is "very severe."

The fertiliser which has been used in Cape areas will be lost as it will not last through the season. And fertiliser is a heavy investment.

The cost would have to be added to the potential loss of wheat before the full extent of the damage can be estimated.

At least 23 areas in the Cape have been declared "pasturage distress areas" and the Department of Agriculture is to pay a 75 percent rebate to farmers who are forced to rail fodder to their farms to support their livestock as a result of the droughts.

Bread may cost more from October 1

RAM 25/8/78

3 - WHEAT

~~244~~

By GERALD REILLY
Pretoria Bureau

A BREAD price increase is still a "strong possibility" from the beginning of October, Government sources in Pretoria say.

Earlier this week the Minister of Agriculture, Mr Hendrik Schoeman, told a delegation from the Housewives League that by using the R20-million set aside in the Budget to support basic food prices he would try to stall off rises in the bread price until the Budget next March.

However Pretoria sources said yesterday that wheat farmers are virtually certain to be granted increases from October 1. Their last increase was two years ago, it was pointed out.

The Wheat Board's recommendation is now being processed by the Marketing Council.

The Cabinet's food committee will decide the extent of

the increase before the middle of next month, it was stated.

Bakers and millers have also submitted strong cases for higher margins, backed up by substantial rises in transport and other costs.

They, too, will get relief.

Against this background the Pretoria sources said that even with the R20-million it would be extremely difficult, if not impossible, to maintain current prices unless the Minister got further interim assistance from the Minister of Finance.

The current R45-million bread subsidy was just about exhausted.

This is because of the steep and sustained and sustained rise in brown bread consumption to more than 65 per cent of total bread sales.

Keeping the price down to 16c has been a costly exercise, it was stated.

- (a) (i) Using a typical large scale organisation as an example, explain nature of basic financial, technical and administrative framework.
- (ii) Individual type and extent of organisation activities governed by nature of product handled or produced. Public, private and limited liability company constitutions and obligations.
- (iii) Functions of sales, research and development departments. Use of quality control and inspection methods as aids to sales promotion and maintenance of company image.
- (iv) Brief details of personnel administration and control. (Note: This is handled in extended detail in T3C).
- (v) Office administration, including functions of secretarial, accounting, stores, despatch, departments.

STRUCTURE OF INDUSTRIAL ORGANISATION

GENERAL STUDIES T2B

3 WHEAT 249

Bread price hike looming

6/9/78 19

PRETORIA — Wheat industry spokesmen claim a bread price rise from the end of the month is almost inevitable.

Last month the Minister of Agriculture, Mr Hendrik Schoeman, told a delegation from the Housewives League that he would do all in his power to stall off a bread price rise until next year's budget.

He told the delegation he intended using the R20 million set aside in the budget to support basic food prices in an attempt to hold prices at current levels.

It is pointed out that brown and whole wheat bread sales have steadied at 65 per cent of total bread sales, and that the R45 million bread subsidy is almost exhausted.

The heavy subsidisation of brown and whole wheat bread has bitten deeply into the R45 million, it was stated.

Before the last price rise in January this year, when white bread was raised by 25 per cent to 25c a loaf and brown and whole wheat was kept at 16c, white bread sales constituted 65 per cent of total bread sales.

It is understood that the Marketing Council's recommendations on wheat prices for the new season starting on October 1 and on higher margins for millers and bakers are now with the Minister.

Before the new prices are announced they have to be approved by the Cabinet.

This is likely to be at the Cabinet meeting scheduled for September 19. — DDC.

Wheat price ^{3 Wheat} 12/9/78 up 12 per cent

SOUTHERN AF

RESEARCH UNIT



TELEPHONE 69-8531 (FX 453, 440)

PRETORIA — The producers price of wheat will rise by 12,3 per cent from the end of the month, the Minister of Agriculture, Mr Hendrik Schoeman, announced yesterday.

The margins of millers and bakers are also to be raised from the beginning of October, but the extent of the increases have still to be determined.

There is to be no simultaneous rise in the price of bread, however.

The Sec

However, the prices of cake flour — and, therefore, of most confectioneries — as well as the prices of sifted and unsifted meal will be increased from October 1.

The increase will be between 12 and 15 per cent, it is understood.

The Wheat Board is now assessing the effects of the higher wheat prices on all

wheaten products, and these are expected to be announced in a Government Gazette on Friday.

It is understood, however, that the price of a 90 kg bag of cake flour will rise by about R3.

In his announcement yesterday, the Minister said the gross producers price of wheat would rise from R123 to R138 a tonne. The nett producers price would rise from R121,24 to R136,18 a tonne.

The national president of the Housewives' League, Mrs Joy Hurwitz, said the league was pleased the Minister had kept his word to hold bread prices at their current levels until the Budget next March.

The league was disturbed, however, at the coming increase in the prices of cake flour and in sifted and unsifted meal.
— DDC.

RESEARCH DIVISION,
SCHOOL OF ECONOMICS,
BEATTIE BUILDING,
UNIVERSITY OF CAPE TOWN,
RONDEBOSCH
7700.

Dear

Thank you very much for providing us with figures of union membership for our book. We greatly appreciate your help.

Yours sincerely,

DELIA HENDRIE

ALIDE KOOY

Research Assistants

29/9/78

The Star Friday Septen

Price of wheat, flour up 12 pc ^{③ wheat}

The price of flour and all wheat products — except bread — will go up between 12 and 14 percent from Monday. Shoppers can expect to meet the new prices in supermarkets by the end of the week.

A spokesman for the Wheat Board in Pretoria said the maximum retail price of 1 kg cake flour would rise from 34c to 38c, white bread flour from 31c to 35c a kg and brown bread meal from 29c to 33c a kg.

The increases follow a 12,3 percent increase in the producer price of wheat, which was announced earlier this month and will also come into

effect on Monday. The new prices appear in the Government Gazette today.

The price of 2,5 kg packs of bread flour will

be increased from 73 to 82c as a result of the increase; 2,5 kg packs of cake flour from 79c to 89c; 5 kg packs of white bread flour from R1,34 to R1,49.

Bakeries forecast more price rises

N.M. 30/1/78

3-WHEAT

PRETORIA — The increase in the price of flour and wheat products which comes into effect tomorrow will set off price rises for biscuits and confectionery.

This was the reaction of bakers and supermarkets here yesterday to the notice in yesterday's Government Gazette of an average 12 percent increase in flour and wheat prices.

A spokesman for a large city bakery said bakers would not be able to absorb the entire increase and would have to pass some of it on to consumers.

Bakers specialising in confectionery would be hardest hit by the increase as the production of bread was subsidised, the spokesman said.

The manager of the Wheat Board, Mr. D. F. van Arde, said the increase had been granted to offset rising production costs of the farmers. The last increase was two years ago, he said.

— (Sapa.)

RDM 30/9/78

Ripple to

3-wheat
follow

244
rise in

flour price

THE increase in the price of flour and wheat products which comes into effect on Sunday will set off price rises for biscuits and confectionery.

This was the reaction of bakeries and supermarkets in Pretoria to the notice in yesterday's Government Gazette of an average 12% increase in flour and wheat prices.

A spokesman for a large city bakery said bakers would not be able to absorb the entire increase and would have to pass some of it on to the consumer.

Bakers specialising in confectionery would be hardest hit by the increase, as the production of bread was subsidised, the spokesman said.

The manager of the Wheat Board, Mr D F van Arde, said the increase had been granted to offset the rising production costs farmers suffered. The last increase was two years ago, he said.

Meanwhile, the Coordinating Consumer Council says the increase "is another blow for the hard-pressed consumer," and warns that it could lead to a decline in consumption of wheat and flour products. — Sapa.

② Wheat WHEAT PRICE
FM 6/10/78

Prices of all wheat products, except bread, were increased this week by between 12% 14%. This follows an increase in the net producers' price for

wheat of 12,3% from R121,24 to R136,18 a ton. Bakers and millers' margins have also been raised substantially to compensate for rising costs, though they probably did not get all they asked for.

The producers' price partly depends on the size of the wheat crop. The first official estimate for 1978-79 is 1,7 Mt (1977-78, 1,86 Mt). The crop in the Western Cape is down 80% but a good crop in the OFS will make up for it.

In these circumstances it is a pleasant surprise that the Minister of Agriculture has felt able to keep the price of *both* white and brown bread at the present level until (hopefully) the end of the financial year, with the help of the extra R20m for basic foodstuffs which is to be used to boost the R45m subsidy. Up till now there has been no subsidy on white bread, but a small one may be necessary to hold the present price, depending on the ratio of production between white and brown.

(3) wheat

HOME

New hope for wheat price agreement

R.D.M
8/11/78

13. LONDON. — There is renewed hope that a new International Wheat Agreement to control world prices will finally be negotiated, after the abortive earlier attempts.

14. At the latest meeting in London of the interim committee, made up of leading wheat importing and exporting countries, draft texts were prepared for the three conventions — on wheat trade, food aid and coarse grains — which are to make up the proposed agreement.

15. These, together with supplementary statements by the market economy developed countries, and another by the importing developing countries, are to be submitted to the full conference which reconvenes in Geneva today.

16. Chairman of the committee, and the conference, the Swiss diplomat, Mr Arthur Dunkel, said that the mechanisms of the conventions had been well defined. But the numbers — such as the trigger price levels at which various actions concerning stocks should be taken, the size of the stocks, or the contributions of individual countries to the 10-million ton a-year food targets — remained to be decided.

17. Mr Dunkel said it would not have been appropriate for the interim committee, with 12 members, to decide such matters on behalf of the full conference, which about 60 nations are expected to attend.

18. It is also safe to assume that agreement over the numbers will involve compromise at the highest political level and is, therefore, being left to the last possible moment. Certainly Mr Dunkel thought that the decisions on numbers would be made "at the 25th hour."

19. A major breakthrough came in the developed countries' attitude to help for the developing countries with costs of the latter's share of the stocks. The rich countries proposed to examine the possibility of including wheat stock costs in their bilateral aid programmes and also to take a positive attitude to any applications for such aid to the international institutions, the International Monetary Fund and the World Bank.

There is a genuine dilemma here. The developed countries have a point when they say that a trade convention is not about aid, and that the developing countries should turn for aid to existing schemes run by the international institutions.

But at the same time the developing countries are wary of taking on firm commitments to hold certain stocks under the terms of the wheat trade convention when they do not know that they will be able to pay for them.

The meeting made good progress in narrowing the gaps, according to Mr Dunkel, and there was little brinkmanship.

For instance, the draft text of the coarse grain convention, which had earlier appeared something of an obstacle, contained only one or two sets of brackets (points on which there are alternatives to be negotiated).

And it has been agreed that the convention should be consultative. — Financial Times.

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Luxury loaf price rises

3. Wheat

The Star Thursday, Nica

The price of super-white bread sold in sliced and loaf form — is to be increased by six cents to 32c from tomorrow. And it is likely that the price of cakes and biscuits will also be increased over the next few weeks, although by a smaller percentage.

The general manager of the Wheat Board, Mr D F van Aarde, said today that there would be no increase in the price of ordinary, subsidised loaves of white, brown and wholemeal bread at present.

Super-white bread was a luxury-type bread which constituted only 1.8 percent of total bread production in this country, he said.

The increase in its price had become necessary because of increases in the price of cake flour, Mr van Aarde said. In 1974, when super-white loaves were first introduced, cake flour cost R14.50 a ton, he said. Now it costs R24.74 a ton.

Commenting on the bread increase, Mrs Joy Hurwitz, president of the Housewives' League, said a "convenient" type of loaf and a luxury. She predicted that people who used to buy these loaves would now switch to the standard subsidised white loaf.

paring people through the bread increase, Mrs Joy Hurwitz, president of the Housewives' League, said a "convenient" type of loaf and a luxury. She predicted that people who used to buy these loaves would now switch to the standard subsidised white loaf.

the death of several miners from miners' phthisis between 1899 and 1901 a commission of inquiry was set up. This resulted in the promulgation of various regulations to inhibit the creation of dust in 1905. The Miners' Phthisis Act of 1911 provided for compulsory compensation. During 1911 the first legislation for strict control over safety and the health of persons on mines was enacted. This was consolidated by 1912, 1916, 1925, 1933, 1946, 1956 Acts and the occupational diseases in Mines and Works Act of 1973.

In 1975 676 000 persons employed on controlled and uncontrolled mines. There are 1 100 mines in the Republic and South West Africa. Only 294 are controlled mines covered by mining laws relating to occupational disease and compensation. However 494 995 of 674 140 are employed on controlled mines. Phthisis found to significantly joint condition of dust disease and TB. Dust recognised as biggest hazard. Legislation extended to include other non gold mines. 1956 generic mine pneumoconiosis to include all forms of dust disease. During the past seven years an average of 396 white and coloured, and 1342 blacks of a total of 494,995 employed on controlled mines and works were certified as new cases of compensatable occupational disease (excluding tuberculosis) annually. Average 48 white and coloured and 3346 blacks found to have tuberculosis annually. Deaths from TB averaged 2 whites and coloureds and 101 blacks. The Commission compares

this with accidents on the gold mines where there is an average of 500 deaths a year plus 22-222 injured in 1974.

6. The Commission commended the gold mining industry's co-operation in the promotion of industrial health. "The history of the promotion of industrial health on the gold mines, ... speaks of a sensitivity and a willingness on the part of the authorities as well as of the industry itself to accord humanitarian considerations their rightful place at all times."

The Commission identifies the relative peacefulness among the workers as one of the main features of the gold and diamond industries "... the unrest among certain ethnic groups during the past few years had nothing to do with industrial health". It attributed comparatively peaceful labour conditions to that in diamond and gold industries "the workers safety and health is of constant concern".

The Commission described the theory of the second industrial revolution in relation to the development of secondary industry in South Africa (the period where factories and variety of process came into being). They note an absence of features which marked the second industrial revolution - "altered rebelliousness of worker towards modern machinery and unwillingness to tolerate exposure to conditions they know are hazardous". This they assert is because of three factors

- 1) Many factories employ "black workers who are in contact with or are friends of fellow tribesmen on the mines who are well treated".
- 2) Majority of the rural blacks are totally ignorant about industrial health and
- 3) "They feel reasonably well compensated by the workers' Compensation Act, Act 30 of 1941 "which is explained to them".

In South Africa there are 8 million workers. Not all of these are working on mines (674 140 miners working on controlled and uncontrolled mines), surface works, quarries or factories. 0.25 million are employed by SNA & H. 2.5 million are involved in agriculture, fisheries, hunting and forestry. 1.25 million work in factories which are under the control of the Department of Labour in terms of the Factories, Machinery and Building Act 22 of 1941; Section 51 relates to working conditions affecting workers' health.

Agriculture - wheat

28 - 4 - 79

9 - 11 - 79

XX

SA bread price is 'lowest'



Political Staff

HOUSE OF ASSEMBLY. — The Minister of Agriculture, Mr Hendrik Schoeman, said yesterday that he did not believe the price of bread would go up again this year, but farmers would simply have to get a better price for their products.

Speaking in the agricultural debate, Mr Schoeman said consumers would have to pay more for agricultural products as farmers' production costs were increasing faster than the prices they received for their products — largely because of cost increases and inflation abroad about which the government could do nothing.

Mr Schoeman agreed that farmers were experiencing lean times, but although the industry was in trouble, it had not reached a crisis point.

On the bread price, Mr Schoeman said this was the lowest in the world. Bread cost 1,75 dollars in the United States, 1,27 dollars in Copenhagen, 2,32 dollars in Paris and 34 United States cents in Pretoria.

While he did not believe the price of bread would go up again this year, South Africans would have to look carefully at the way they spent their money because last year, for example, they had spent more on liquor than on bread and grain products.

In his budget speech, the Minister of Finance, Senator Horwood, gave R20 million as a further subsidy on bread

prices to avoid any undue increase in the price of bread later this year

On maize, Mr Schoeman said if the government did not mix white and yellow mealies, it might be forced to import a small quantity of white mealies. If South Africa had to become an importer of food he did not want to be Minister of Agriculture

Mr Schoeman said he agreed with the suggestion that sales tax on diesel be abolished for the transport of agricultural products "I agree with this and I am sure the Minister of Finance can be persuaded to consider this matter." Mr Schoeman said.

28/4/79

3 - Summary

Wheat

Now price of bread may give Star 1/6/79 3-Wheat consumer a shock

Hard-hit consumers will probably face yet another price increase this year — for bread.

The manager of the Wheat Board, Mr D F van Aarde, said it was yet too early to speculate, but depending on cost increases and the new season's wheat price, there would probably be an adjustment in the bread price or the subsidy.

He said the decision rested with the Minister of Agriculture, Mr H Schoeman.

The new wheat season begins in October, when millers and bakers are expected to press for an increase.

Mr Mike Hawkins, of the Consumer Council, has said: "The problem is that everything is being passed on to the consumer. Perhaps there could be some subsidy on fuel to producers."

Today is D-Day for the new prices for dairy products, but the rush for butter, cheese and milk is expected to continue while supermarkets still carry goods at the old price.

Spokesmen for the major chains have promised consumers that prices will not go up while old stocks last.

This might mean that some supermarkets will be carrying butter marked at different prices as new supplies come in.

One chain of supermarkets is selling butter and milk at the old price until Monday.

RELATED

The dairy price increase will also be felt in forthcoming rises in related manufactured products. A spokesman for a company that manufactures chocolates — which require fresh milk, milk powder and butter — described the increases as a "shock" to manufacturers.

"Chocolate and confectionery will have to rise in price," he said. "This will probably be in July, in our case, once current stocks are used up."

Bread may be next to go up in price

By GERALD REILLY
Pretoria Bureau

YET another big Government-administered food price shock is expected this year — on bread.

Wheat farmers, like all other producers this year, will demand higher prices from the start of the new wheat season in October.

They are not likely to be refused.

And the public will be hard hit — unless the Government listens to the country's labour leaders and leading Opposition politicians and increases the funds earmarked for food subsidies.

Government sources in Pretoria said yesterday if the price was raised the existing bread subsidy would not absorb the increase.

Also to be taken into account are the demands by bakers and millers for bigger margins to compensate for cost increases which include power, fuel, wages, and replacement of vehicles.

Milk distributors got 1,5 cents of the recent five cent a litre increase in the price of milk so the demands of bakers and millers would have a substantial influence on the new price.

Argus 12/6/79

Bread price for review in October

3-Wheat

BREAD prices would certainly not be increased until October, the Minister of Agriculture, Mr Hendrik Schoeman, said last night.

'But we must be realistic. We will have to look at the possibility of having to increase the price of bread after October,' he said in committee on supplementary estimates for his department's budget vote.

Mr Rupert Lorimer (PFP Orange Grove) had asked Mr Schoeman about the prospects of an increase in the price of bread, saying there had been a tremendous escalation in the prices of all agricultural products.

COSTS RISE

Mr Schoeman said farmers' production costs had risen more than the prices they got for their produce and the wheat price was due for review in October.

The Minister of Finance, Senator Owen Horwood, had allocated a R20-million subsidy to keep bread prices at 16c for a brown loaf and 20c for a white loaf until the end of September.

'Any increase thereafter will be decided in the light of the circumstances,' Mr Schoeman said.

Mr Lorimer said Senator Horwood should exempt staple foodstuffs from general sales tax and should subsidise them to a greater extent.

Mr Schoeman said he was thankful for the R20-million subsidy for bread, which made it unnecessary to increase the price until at least October.

Mr John Malcomess (NRP East London North) said GST should be removed from the bulk price.

Mr Schoeman replied that it would be impossible to exercise control over such a measure.

Mr Philip Myburgh (PFP Wynberg) said that while producers of primary foodstuffs deserved to make a reasonable living, the problem was that lower-income consumers could not keep up with the rising prices.

He asked Mr Schoeman to urge Senator Horwood to subsidise consumers to a greater extent. — Sapa.

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THURSDAY, JULY 19, 1979

3 Wheat

THE BREAD PRICE

THE PROSPECT of another huge increase in the bread price later this year should be cause for alarm bells to ring throughout the nation. Bread is hardly an inconsequential commodity. It is a basic food of millions in this country who live below the subsistence level — estimates vary from one-third to half of the working Black population — which makes its availability a prime factor in the maintenance of national security and stability.

The Minister of Agriculture has noted glibly that bread in South Africa is cheaper than anywhere else in the Western world. The comparison is naive to say the least. How many other Western nations have millions living in penury? Comparisons with commodity prices in other countries are meaningless unless they are related to wages and the ability of people to pay them.

In South Africa a price increase of six or eight cents on a loaf would undoubtedly put bread beyond the reach of a huge sector of the population. Taken in conjunction with continuing unemployment and recent price increases in transport, rents, paraffin, and dairy and maize products, it might well become the straw that could break the camel's back and set the stage for fresh unrest in the urban areas.

There should be no question,

therefore, about subsidising a bread price increase of this magnitude. Moreover, the Minister of Finance should reconsider the many appeals to abolish sales tax on bread and other basic foods.

Wage increases in the lower income group are simply not keeping pace with the runaway cost of living, and until the country is prepared to institute a meaningful minimum wage level the Government will just have to go on cushioning the impact on the poor of the spiralling prices of staple foods.

Meanwhile, employers should recognise that it is in the national interest to keep the wages of their Black labour under constant review and not wait for some explosion of discontent to jog them into action. A recent scientific survey has revealed that an average Black family in Durban now requires R152 a month to keep it at the household subsistence level — the minimum for physical well-being. Yet a huge proportion of the population is having to make do with less.

At all costs we must prevent families in the lower income group from drifting further into poverty and hunger — not only for humanitarian reasons but in the interests of the country's stability. That is a thought that should be uppermost in the Government's mind when it talks about increasing the price of bread.

Bread price may soar

PRETORIA — The biggest bread price hike in 25 years could take place in October.

But, the Minister of Finance may decide to raise the subsidy and reduce what could be an increase of 6c or 8c a loaf, government sources said yesterday.

Pleas by labour and opposition leaders to drop the general sales tax on bread and increase the subsidy have been re-

jected so far.

They point out that the prices of all basic foods — bread is the only remaining one — have risen steeply this year and wages and salaries have not kept pace.

They have stressed, too, that the spread of hunger in the townships, coupled with the high level of unemployment, constitutes a serious threat to security and stability in the urban areas.

The Wheat Board meets in Pretoria next week to decide on its bread price recommendations.

These will be sent to the Minister of Agriculture, Mr Hendrik Schoeman, who will make the final decision after consulting the Cabinet food committee.

Also to be decided at next week's meeting is the producer's price of wheat, oats, barley and rye. The margins of millers and bakers, and the agricultural co-ops which handle wheat for the board, will also be decided.

All are certain to be increased.

Farmers say they have a cast-iron case for a hike of at least 20 per cent.

They point out that mealie farmers got increases of 22 per cent earlier this year. Their case for relief is as strong, if not stronger, they say.

Mr Schoeman has said bread in South Africa was cheaper — 26c for a white 900 g loaf and 17c for a brown loaf — than anywhere else in the Western world.

He is right — but the ability of the vast majority of the population to buy it at high prices is far lower in South Africa than in other countries.

According to the Wheat Board, in March this year the price of a white 900 g loaf in Bonn was R1,18; in Brasilia, 81c; Brussels, 84c; Buenos Aires, 75c; Canberra, 74c; Copenhagen, R1,30; London, 57c; Mexico City, 44c; Ottawa, 65c; Paris, R1,68; Rome, 62c; Stockholm, R1,60; Tokyo, R1,03, and Washington, 98c.

The average price is 75c more than double the South African price — DDC.

Munnik

objects

to fees

increase

C.T. 6/9/79

3-wheat

~~2-wheat~~

From MICHAEL ACOTT
Political Correspondent

BLOEMFONTEIN. — The Minister of Health, Dr L A P A Munnik, said last night he had so far seen no justification for the planned 52 percent increase in doctors' fees.

He also told the Free State National Party Congress he would investigate the controversial issue of doctors contracting out of medical aid schemes.

Dr Munnik, himself a medical doctor, said there ought to be a return to an agreed maximum fee. This had been charged to richer patients, while poorer patients paid less and, in some cases, nothing.

Dr Munnik repeated his strong objection to the increase, due to come into effect in November, and to the fact that he, as Minister of Health, was powerless in the matter.

He was still contemplating amendments to the law to give him a final say, but hoped his discussions next week with medical aid associations would bring about a drop in the planned tariff increases.

On the subject of medical

Wheat up 36%, but not bread

Own Correspondent

PRETORIA. — The wheat price will rise by a massive 36 percent from October 1, but "for the present" the price of bread will remain unchanged, the Minister of Agriculture, Mr Hendrik Schoeman, said in a statement here yesterday.

The prices of other wheat products, including flour, however, would rise. Only bread was subsidized.

He estimated it cost the government an additional R40 million — on top of the present subsidy of R70 m — to keep the prices of white and brown bread at current levels.

Taximen seek big fare hike

amendments to the law to give him a final say, but hoped his discussions next week with medical aid associations would bring about a drop in the planned tariff increases.

On the subject of medical aid schemes, Dr Munnik said the practice of contracting out enabled doctors to operate outside the approved tariff structure. This could be to the disadvantage of the public who could only reclaim from medical aid schemes at the official rate and some times had to carry the the balance themselves.

"We will have to go into the whole problem of contracting out. I don't have a solution, but I believe that doctors will understand the seriousness of the matter," he said.

Dr Munnik said he could not escape his responsibility to the country and to the government.

"I am not in favour of socialized medicine. We must keep the private enterprise element in medicine, but increases must be fair and they must fit in with the national set-up."

The government could not allow a boost to inflation through pay rises in all sectors. As soon as medical fees went up in this way, there would be demands from railwaymen and other trade unionists.

"The final say will have to be brought back to the Minister of Health who must answer to the Cabinet."

Dr Munnik said the whole matter would have to be investigated thoroughly and urgently both by doctors and by economists, who could determine the effect of medical services on cost structures as a whole.

**OFS Nat congress —
page 2**

Taximen seek big fare hike

TAXI fares may increase drastically if an application to be heard by the Local Road Transportation Board to increase tariffs is approved on Monday.

Cedar Taxis (Pty) Ltd and Marine Car Hire, the City's two largest taxi companies, have both made applications to the board for a tariff increase.

"A trip from the Heerengracht to D F Malan Airport, which now costs R10, will cost R17 if the increased tariffs are approved," Mr Alex Kirsch, chairman of Owner Drivers Radio Taxis, who filed a counter proposal, said yesterday.

"An increase in tariff is necessary, but they are asking for too much," Mr Kirsch said.

Present taxi tariffs are 50 cents a kilometre and a R3 an hour waiting fee. The application asks for 80 cents a kilometre and a waiting fee of R4.50 an hour, Mr Kirsch said.

A spokesman for Marine Car Hire confirmed they had made an application for increased tariffs but would make no further comment.

The manager of Cedar Taxis, Mr Bert Lloyd, said the last tariff increase was three years ago. Since then the price of petrol had doubled and overheads increased drastically, he said.

"It is not an essential service. People who take taxis must be able to afford them. People who do not want to take buses must be prepared to pay the cost of a taxi," Mr Lloyd said.

Govt subsidy keeping the bread price down

Own Correspondent

The price of white and brown loaves would exceed 30 cents at the end of the month were they not subsidised by the State.

This emerges after yesterday's announcement of a 36 percent increase in the wheat price.

Baking industry spokesmen said today that they would not be affected by the increase because of the subsidy.

"We feel the price of brown bread could double if it were not for the

subsidy," a spokesman for a Pretoria bakery said today. "This would take it to 32 cents."

And he estimated that the price of white bread would rise to about 38 cents in the same circumstances.

The subsidies created an artificial situation and there was no way of determining how long it could continue, the spokesman said.

"We have felt for years that the situation could not be allowed to continue. But we accept that it is government policy to keep basic foods within the

reach of the poor," he said.

Announcing the new wheat price yesterday, the Minister of Agriculture, Mr Schoeman, said it would raise the price of all wheat products, excluding bread.

The current bread subsidy costs the State R70-million and Mr Schoeman estimated that this would rise to R110-million after the new price was introduced.

The subsidy is 9,8c on a brown loaf and 3,25c on a white loaf.

The SA Co-ordinating Consumer Council has

welcomed the fact that the increase in the wheat price will not affect the price of bread.

A spokesman for the council, Mr Mike Hawkins, said today that the increase would obviously affect the prices of other products and the lower income groups would be hardest hit.

The announcement came at a time when the effects of the recent fuel price increases had not been assessed and called for an urgent review of food price increases, he said.

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Mennonite Central Committee se Konferensie oor: 'Die Rol van Geskiedkundige Vredeskerke', Gaborone, Botswana. Verhandelingsvoorgelê oor: 'The Role of Churches in Promoting Justice in Southern Africa' (Oktober).

Konferensie van die Afrikaanse Calvinistiese Beweging, Potchefstroom (Oktober).

(c) Deelname aan Welsyns-Professionele en Openbare Organisasies

Die Direkteur het aktief gebly in die Suid-Afrikaanse Instituut vir Rasse-Verhoudings as 'n lid van die Weskaap-Distrikskomitee, die Nasionale Uitvoerende Komitee en van die Raad.

Hy is Voorsitter van die Quaker Service Fund in die Kaap, die diensafdeling van die Godsdiensstige Vriendekring (Quakers), wat gemeenskapontwikkeling op die platteland en in die stadsgebiede bevorder.

Die Direkteur is gekies as lid van die Raad van die Vereniging vir Sosiologie in Suidelike Afrika. Hy is ook 'n lid van die Suid-Afrikaanse Sosiologiese Vereniging en van die Internasionale Sosiologiese Vereniging. Hy is aangestel as die Suid-Afrikaanse afgevaardigde in die Raad van die Internasionale Sosiologiese Vereniging vir die tydperk 1978-1982.

WAARDERING EN DANK

Ek is altyd dankbaar vir die geleentheid wat die jaarverslag bied om my waardering te betuig aan lede van die Akademie Advieskomitee en die Beheerraad vir hulle leiding, aanmoediging en belang in die aangeleenthede van die Sentrum.

Die Universiteit van Kaapstad het benevens 'n bydrae tot die bedryfskoste van die Sentrum, ook vir die Sentrum sedert sy stigting in kantoorruimte voorsien. Met die uitbreiding van personeel het ons die huisie op die laer

Garansie) - h maatskappy beperk deur garansie en sonder 'n aandeel-kapitaal kragtens die Maatskappywet 1973 (Wet Nr. 61 van 1973).

Wheat price up but not bread

Argus Correspondent

PRETORIA — The producer price of wheat is to increase by 36 percent on October 1, but bread prices will remain unchanged, the Minister of Agriculture, Mr. Hendrik Schoeman, announced yesterday.

Schoeman said the net price for top grade wheat, after deducting agents' commission and levies, had been fixed at R135 a ton for the season starting on October 1. The wheat price for the current season is R136,18 a ton. He said this represented a 36 percent increase in

the net payment to producers but was not the full price recommended by the Wheat Control Board. The increased price did not fully provide for the cost backlog which wheat producers had experienced during the past few years as a result of the inflationary increase in the prices of farming requisites.

This aspect would be given the necessary attention when the wheat price was fixed next year, Mr Schoeman said. He said that for the present bread prices would remain unchanged.

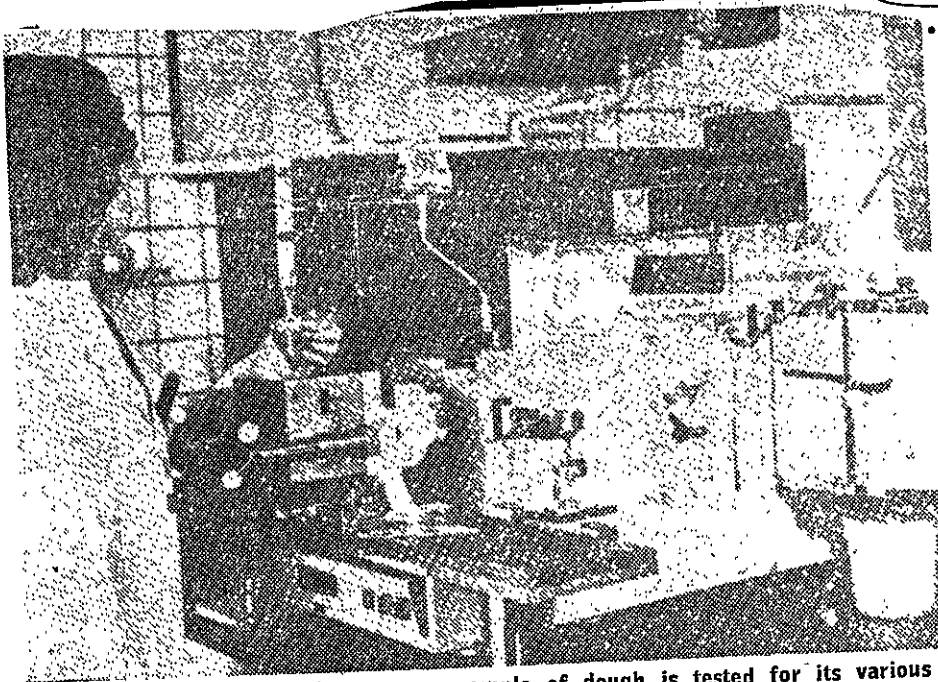
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JAARVERSLAG
1978
SENTRUM VIR INTERGROEPSTUDIES
(Geregistreer as The Abe Bailey Institute of
Inter-Racial Studies Limited
(Beperk deur Garansie))

3-Wheat

13/9/79



In this SA Wheat Board laboratory, a sample of dough is tested for its various properties.

Higher diesel costs hit wheat areas

3-Wheat

13/9/79

The State's favourite chickens are now coming home to roost.

When diesel fuel prices had to be adjusted after successive rises in the price of crude, during the last two years, the rise in terms of cents a litre was made the same.

The percentage rise, however, was much steeper with farm diesel than in the case of petrol, because of the lower level of the farm diesel price. The latter rose by 145 percent, petrol rose only 85 percent.

Farmers have warned that total fuel costs for every unit of farm produce was the figure that mattered, not the rise in cents a litre, and that an increase of 145 percent in the fuel costs of a ton of wheat or other farm products would turn out to be highly inflationary. The differential treatment, to the disadvantage of the farmer, would ultimately have to be paid for by the consumer.



actual yield. The reverse happens in above average years.

This has given rise to demands by farmers that income stability, rather than price stability, should be the guiding principle in price policy.

Backlog

For cost increases the farmer is, moreover, not automatically compensated. Since 1970-71, the price of farm inputs — implements, fertilisers, seed, etc — has risen by 144 percent, while the price of wheat has risen only by 82 percent. An ominous backlog has developed even in the last 24 months the total cost level has risen by 35 percent.

we would have to pay some R12 to R18 a ton more for imports than we pay for our own wheat.

Ahead there is only scanty prospect of improving yields and covering, in the long term, the needs of a growing population.

So, from the production side, there is little for the consumer's comfort. The price aspect, however, looks more encouraging.

In South Africa, the control system also is a considerable plus for the consumer. In the U.S., when the price of wheat is high, the value of the wheat in a loaf of bread will be around 13 percent of the price of the loaf. When wheat prices are low, the value of wheat in a loaf will be only 8 percent. The bread price, however, will not come down so that what the farmer loses the consumer will not gain.

In South Africa the value of the wheat in a loaf is 39 percent of the value of the loaf. Milling takes a 12,5 percent slice, baking 24,1 percent. Transport and delivery take a cut of 17,2 percent, the Control Board's expenses amount to only 0,3 percent and the retailer works on the princely margin of 6,6 percent.

ASPARAGUS TART

Sharon Young, Rondebosch

- Crust: 1/4 lb grated cheese, 1/4 lb flour, salt
- Press together with hands, and press into baking dish.
- Filling: 1 tin salad asparagus, 4 T breadcumbs, 2 cups milk
- pack asparagus in tin
- Make white sauce with into it. Cool. Put

- 1/4 lb grated butter
- 1/2 t baking powder

FLUFFY TOPPED BOBOTIE

Sharon Young, Rondebosch

- 1 - 2 medium sized aubergines (eggplants)
- 1 - 2 large onions
- 3 - 4 large tomatoes
- 2 - 2 1/2 T oil
- 2 lbs meat from leg of lamb
- 1 t curry powder
- 2 - 3 T chopped bland
- Topping: 6 t (1/2 cup) very soft potato
- 2 t thin cream
- 3 eggs
- 1 - 2 T finely grate cheese
- seasoning

CURRIED EGGS

- 2 finely chopped onion
- 3/4 lb rice
- 1/2 t powdered saff
- 2 sticks cinnamon
- 1 T curry powder
- salt, pepper and 8 price

Attitude

Millers and bakers are not exactly starved to death, but their margin is strictly controlled at about 15 percent of investment. There is no fat profit in milling or baking any more, so large milling companies like Tiger Oats and Premier Milling seek compensation by moving into feed production.

From there, they go into eggs with pork marked as a product for future expansion.

Still, the Wheat Board's attitude to millers and bakers is most positive. It has one of the finest milling and baking laboratories in the world. New wheat strains are regularly tested for yield and milling and baking properties. Flour is tested, so are methods of baking and various types of dough. Pasta for macaroni is included; so are the qualities of bread. The housewife is not forgotten.

Barley is investigated for all qualities important to breweries.

On the board itself, the producer majority has worked closely with the millers, the bakers, the trade and the consumer. Together they have built one of South Africa's most successful control systems.

Extending its interest beyond our borders, the board is co-operating successfully with black states, doing useful work in economic development by sponsoring bakers, millers and other industries in the black states.

Fry onions gently half of the onions remaining onion and cubes with 1 1/2 p rice with the saff leaves and cinnamon for 45 minutes. Add the frying pan, add the curry powder, simmer until the Add more...
 Fry onions gently half of the onions remaining onion and cubes with 1 1/2 p rice with the saff leaves and cinnamon for 45 minutes. Add the frying pan, add the curry powder, simmer until the Add more...
 increase of 34 percent thus still leaves a backlog equal to the full cost rise between 1970-71 and 1976-77. On top of this, the last two years have been bad, especially in the Swartland.

In the face of limitations of soil and climate, the farmer just cannot absorb the heavy cost increases, such as the 145 percent rise in fuel prices — which were 10 percent of total costs two years ago.

In the Northern provinces, the wheat planted on the irrigation plots of the Vaalhorts, Loskop and Hartbeestpoort Dam schemes could have provided some stability, but owing to low wheat prices Loskop is already switching to cotton.

Prospect

The two other wheat areas, the Free State and the Springbok Flats, are substantial producers in good years, but the yield is erratic. This year the Flats are right down. The Free State has had copious rain and looks forward to a bumper crop, but as in the Flats the dreaded crater wheat disease makes serious inroads. No remedy has yet been found.

This year there will be a small export surplus, around 300 000 tons — thanks to the Free State rains. The net realisation for exported wheat will be around R130 a ton, as against the South African producer price of R185 a ton. On the other hand, if we were to import wheat,

Sharon Young, Rondebosch

- 1/2 cup breadcumbs
- tin boned mashed sardines/pilarsley to taste
- oven dish, sprinkle with breadcru
- oven till nicely brown.

CHILL

- 1 pkt sou
- 1 sme
- 5 ml

Disapproved

Nobody would listen. But now it has actually happened that way. Almost half of the 34 percent rise in the producer price of wheat, which was recently announced, can be attributed to the rise in the farm diesel price. To compensate for the error, the Government will have to increase its consumer subsidy for brown bread to 50 percent — 16 out of 32 cents — if the price of brown bread is to be kept the same. But how long will the subsidy last?

The signs do not look too good. Free market fundamentalists have always disapproved of subsidies in principle, and they may win again.

The general picture of the wheat industry, moreover, is not reassuring. The traditional wheat growing areas, the Western Cape regions of the Ruens (Caledon, Bredasdorp) and the Swartland (Malmesbury, Moorreesburg, Piketberg) cannot expand their wheat production, neither horizontally nor vertically.

The Ruens were forced to diversify, mainly into barley and lambs.

The Swartland lost the soil improvement formerly obtained from lupins, when the latter were driven from the fields by a leaf disease.

To obtain price stability, cost increases are carefully monitored, while the yield per ha is supposed to be a figure corresponding to a long-term average. In a dry year the farmer loses through having his cost per ton calculated through dividing his total cost per ha by the assumed long-term average yield, not his lower

Janet Brown, Ridgeworth

- eggs
- 25 ml milk
- 150 g cheddar cheese cut into s cubes
- ingredients together. Rub in mar
- th the eggs and milk. Fold in
- tin (approximately 20 cm).

Fry t
light
simmer gently for 30 minutes.

---000---

HONEY

1 cup
4 t b
2 T b
1 egg
1/2 cup
1/4 t s
1/4 cup
Sift
butter
butter
butter
butter
minut

his was not the full price recommended by the Wheat Control Board, nor will it fully cover the cost back-log which wheat producers have experienced during the past few years as a result of the inflationary increase in the prices of farming requisites. This aspect, Schoeman said, will be given the necessary attention when the wheat price is fixed next year. The FM understands that the final report of the inter-departmental committee on agricultural financing, chaired by Reserve Bank's Dr Fanie Jacobs, which has not yet been released, but is still being considered by the government, has recommended that producers' prices must cover production cost increases.

Does this portend another large increase next year, with the local price rising above the world price? At present, the Wheat Board's MD, D F van Aarde

WHEAT PRODUCTION		
	000 tons	
	1977/78	1978/79
Winter rainfall region	488	(est) 262
E Cape	37	21
N Cape	100	121
NE Free State	432	435
Rest of OFS and		
W Tvl	550	634
N and E Tvl	250	254
Natal	3	3
Total	1 860	1 730

tells the FM, the world price, though it varies constantly, averages about R150/t fob. The cost of imports railed to the Reef would be over R200/t.

The official wheat season runs from October 1 to September 30. This year's (1978-79) crop was badly affected by the drought in the winter rainfall region (see table). Of this crop, Van Aarde says, the board had received 1 495 800 t by July 31. Consumption is estimated at 1,65 Mt, so there was a shortfall of about 150 000 t, which was covered by the carry-over from last year when there was also about 130 000 t available for export.

For the coming (1979-80) season, which will start harvesting next month, Van Aarde hopes for just over 2 Mt, thanks to good rains, especially in the Free State. So there may be a surplus for export, which, unless the world price rises, would probably be at a loss when shipping costs are taken into account.

Wheat is one of the very few agricultural products that SA cannot really produce competitively, and it looks as if the price in future may well be higher

- NOOT CAKE
- 4 eggs
 - 1 lb sugar
 - 1 lb ground almonds (or haz)
 - 1 t baking powder
 - 1 T flour
 - 1/4 grated lemon (skin & lemo
- Beat yolks with sugar until flour, baking powder and 1 beaten egg-whites. Bake & Serve with whipped cream.

than world price. But SA does not need to be 100% self-supporting in wheat. For political/strategic reasons it should aim at about 80% self-sufficiency. In good years there would then be enough, while in bad, small amounts would have to be imported. If the worst came to the worst, and there were a blockade, small amounts of mealie meal could be mixed in with the wheat meal, as was done in the last war. As one agricultural economist remarked: "They can't starve us out."

wash beans, c
Boil for 2 mi

For 1 hour.
ingredients.
Remove meat a
soup in blend
beans in each
sauce. Cover
crumbled bacc

- PRESERVED BR
- brinjals
 - white vinegar
 - olive oil
 - garlic
 - fresh marjoram

WHEAT PRICES (W) *Wheat*
On the road up (R44)

Whatever is going to happen to the price of wheat? The 36% increase recently announced will bring the net producers' price for top grade wheat, for the season starting on October 1, up to R185/t. The price for the current season is R136,18/t, which represents an increase of 12,3% over last year.

Announcing the increase, Minister of Agriculture Hendrik Schoeman said that

Peel brinjals and cut into Julienne strips. Put into enamelled pot and cover with white vinegar and bring to the boil. Cook for as short a time as

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Wheat price soars 36 percent

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6/19/79 N.M

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Mercury Correspondent
PRETORIA — The wheat price will rise by 36 percent from October 1 but "for the present" the price of bread will remain unchanged, the Minister of Agriculture, Mr. Hendrik Schoeman, said in a statement yesterday.

He said the bread price would not be changed until — at the earliest — the start of the new financial year in March.

Mr. Schoeman estimated that it cost the Government an additional R40

million — on top of the present subsidy of R70 million — to keep the prices of white and brown bread at current levels.

Meanwhile, labour leaders and consumer organisations welcomed the minister's announcement. They said the Government had obviously heeded the warnings of trade unions and opposition politicians that to raise the bread price against a background of all the other food price rises this year, would have increased dis-

stress among Black families and threatened stability in urban areas.

Economists emphasised the Government, with its fat tax bonanza from soaring food prices, could well afford to spend a "paltry" R40 million to stabilise the bread price.

The minister said the new price was less than that asked for by the Wheat Board.

The president of the Confederation of Labour, Mr. Attie Nieuwoudt, said the Government had ob-

viously decided to dip into its gold bonanza. Hunger was widespread in the townships, and an increase in the price of bread would have been a disastrous move.

The director of the Coordinating Consumer Council, Mr. Mike Hawkins, welcomed the bread price freeze. However, the Government should urgently review the effects of the massive food price rises this year.

"Each big rise in food prices this year has been another nail in the coffin of the economy. How can the authorities expect a consumer-led economic revival under conditions of spiralling prices?"

A senior Wheat Board official said the prices of cake flour, white bread flour, brown bread meal and wholewheat bread meal would rise by at least 36 percent, but to be added would be increased margins for millers to compensate for higher production costs.

If new machine is a replacement, please state Serial Num
of existing machine

Subsidy pegs bread price ^{8 1/2c 11019 (3)} wheat

The price of flour goes up by about 28 percent today and the subsidy on standard loaves of bread will be more than doubled to keep prices at present levels.

The flour price has gone up because of a 36 percent increase in the price of wheat, which also takes effect today.

The Minister of Agriculture, Mr. Schoeman, has assured consumers that prices of standard loaves, which are price-controlled

and subsidised, will not rise with the wheat price increase.

The Minister of Finance, Senator Horwood, recently set aside an additional R45-million to subsidise bread prices and prevent an increase.

From today, the Government will pay 8,6c on every standard white loaf and 14,6c on every standard brown loaf to keep prices at present levels.

Previously, the Government paid 3,2c on a white loaf and 9,82c on a brown loaf.

Supermarket executives are expecting a wide range of confectionery items and other flour or wheat-based products to become dearer.

A spokesman for one chain said he had been notified of a 46 percent increase in the price of the breakfast cereal Weet Bix.



REPUBLIC OF SOUTH AFRICA
GOVERNMENT GAZETTE

STAATSKOERANT
VAN DIE REPUBLIEK VAN SUID-AFRIKA

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Vol. 173]

PRETORIA, 9 NOVEMBER 1979

[No. 6723

GOVERNMENT NOTICES

DEPARTMENT OF AGRICULTURAL
ECONOMICS AND MARKETING

No. R. 2522

9 November 1979

BREAD PRICES.—AMENDMENT

In terms of section 79 (b) of the Marketing Act, 1968 (Act 59 of 1968), J. Hendrik Stephanus Johan Schoeman, Minister of Agriculture, hereby make known that the Wheat Board, referred to in section 6 (1) of the Winter Cereal Scheme, published by Proclamation R. 162 of 1974, as amended, has, under section 37 of that Scheme, with my approval and with effect from the date of publication hereof, further amended the prohibition published by Government Notice R. 704 of 26 April 1974 as set out in the Schedule hereto.

H. S. J. SCHOEMAN, Minister of Agriculture.

SCHEDULE

The Schedule to Government Notice R. 704 of 26 April 1974, as amended, is hereby further amended by—

- (a) the deletion in the preamble of the words "super white bread or";
- (b) the deletion in subclause (2) (a) of clause 1 of the words "with a mass of not less than 715 g and not more than 835 g shall be deemed to have a mass of 750 g";
- (c) the deletion in subclause (2) (b) of clause 1 of the words "with a mass of not less than 700 g and not more than 835 g, shall be deemed to have a mass of 750 g";
- (d) the deletion in subclause (1) (a) of clause 2 of the words "and the minimum selling price of super white bread sold by or on behalf of a baker, shall be 30c per 750 g";
- (e) the deletion in subclause (1) (b) of clause 2 of the words "and the maximum selling price of super white bread shall be 32c per 750 g";

16587—A

GOEWERMENTSKENNIGINGS

DEPARTEMENT VAN LANDBOU, ERGONOMIE
EN -BEMERKING

No. R. 2522

9 November 1979

BROODPRYSE.—WYSIGING

Ingevolge artikel 79 (b) van die Demerkingswet, 1968 (Wet 59 van 1968), maak ek, Hendrik Stephanus Johan Schoeman, Minister van Landbou, hierby bekend dat die Koringraad genoem in artikel 6 (1) van die Wintergraanskema, afgekondig by Proklamasie R. 162 van 1974, soos gewysig, bringters artikel 37 van daardie Skema met my goedkeuring en met ingang van die datum van publikasie hiervan, die verbod aangekondig by Goewermentskennisgewing R. 704 van 26 April 1974, soos gewysig, verder gewysig het soos in die Bylae hiervan uiteengesit.

H. S. J. SCHOEMAN, Minister van Landbou.

BYLAE

Die Bylae van Goewermentskennisgewing R. 704 van 26 April 1974, soos gewysig, word hierby verder gewysig deur—

- (a) in die aanhef die woorde "superwitbrood of" te skrap;
- (b) in subklousule (2) (a) van klousule 1 die woorde "geag in massa van 750 g te hê indien die massa daarvan minstens 715 g en hoogstens 845 g is" te skrap;
- (c) in subklousule (2) (b) van klousule 1 die woorde "geag in massa van 750 g te hê indien die massa daarvan minstens 700 g en hoogstens 835 g is" te skrap;
- (d) in subklousule (1) (a) van klousule 2 die woorde "en die minimum verkoopprijs van superwitbrood wat deur of ten behoeve van 'n bakker verkoop word 30c per 750 g" te skrap;
- (e) in subklousule (1) (b) van klousule 2 die woorde "en die maksimum verkoopprijs van superwitbrood 32c per 750 g" te skrap;

6723—1

(f) the deletion in subclause 2 of clause 2 of the words "or per 750 g in the case of super white bread";

(g) the deletion in subclause (1) (a) of clause 3 of the words "and the maximum selling price for super white bread sold otherwise than for cash at the seller's premises, shall be 34c per 750 g";

(h) the deletion in subclause (1) (b) of clause 3 of the words "and 6c per 750 g in the case of super white bread"; and

(i) the deletion in subclause (2) of clause 3 of the words "or per 750 g in the case of super white bread".

(f) in subklousule (2) van klousule 2 die woorde "of per 750 g in die geval van superwitbrood" te skrap;

(g) in subklousule (1) (a) van klousule 3 die woorde "en die maksimum verkoopprijs van superwitbrood wat anders as vir kontant op die verkoper se perseel verkoop word, 34c per 750 g" te skrap;

(h) in subklousule (1) (b) van klousule 3 die woorde "en 6c per 750 g in die geval van superwitbrood" te skrap; en

(i) in subklousule (2) van klousule 3 die woorde "of per 750 g in die geval van superwitbrood" te skrap.

AGRICULTURE - OTHER - WHEAT

21 Feb. 1980 — 29 October 1981

R117m wheat
subsidy 36 (1979)

Political Staff
2/12/80

HOUSE OF ASSEMBLY

The government spent R166 million on subsidies for maize, wheat and dairy products during 1979.

The Minister of Agriculture, Mr. Schoeman, said in reply to questions by Mr. Theo Aronson, South African Party member for Walmer, that the amount of the subsidies this year would be made known when the Budget was published.

Estimates for 1979/80 show that the maize subsidy was in the region of R45m, the subsidy on wheat products about R117m and the dairy products subsidy about R47m.

Schoeman rejects wheat price rise

By GERALD REILLY
Pretoria Bureau

THE Government has rejected a Wheat Board recommendation for an increase in the price of flour.

It is understood that the Minister of Agriculture, Mr Hendrik Schoeman, told the board yesterday.

This means that the price of flour — increased last October by 27% after a more than 35% increase in the price of wheat — will remain at current levels until the principles are reviewed again at the end of September.

It is believed that the board, after meeting in Pretoria on Tuesday, recommended increases of about R15 a ton in cake flour, R10 a ton for white bread flour and R15 a ton for brown bread meal.

The general manager of the Wheat Board, Mr J Van Aarde, declined to comment on the rejected recommendations.

But he said that one reason for the recommendation was the heavy losses on export wheat. Another was the recent rise in railway tariffs. To rail a ton from a Free State farm to the coast cost R20 a ton.

Asked why wheat was exported at a loss, Mr Van Aarde said the excessive costs of storing wheat, about R25 a ton per year, was the major reason.

About R7,5-million has been lost on the 126 000 tons exported this season.

If the remaining 110 000 tons available for export could be sold to African countries, the loss would be about R35 a ton, Mr Van Aarde said. But outside Africa this loss is about R65.

I DON'T THINK THEY COULD BE MUCH MORE BRUTAL
EEN OVER THE PAST YEAR AGO OR SO, SO I WOULD NOT
ASIC CHANGE IN THE SOVIET TREATMENT OF
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ANDLED SHCHARANSKIY, GINZBERG AND ORLOV
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MOSCOW THAT THEY ARE SORT OF CLEANING THE
ENTS AND PEOPLE THAT MAY CAUSE CERTAIN
LYMPICS IN FACT SHOULD COME OFF. SO I
E BEEN DOING OVER THE PAST YEAR AND A HALF
Y OF ALL THE CRITICISM THAT WE CAN LEVEL
ON, BECAUSE WHAT THEY'VE BEEN DOING HAS
BRUTAL AND UNCIVILIZED. I DON'T
INGS WILL GET MUCH WORSE. THEY CERTAINLY
BETTER, AS FAR AS THE DISSIDENTS ARE

Wheat

3 Wheat
may go

up 15%

ADM 8/8/80
soon

By GERALD REILLY
Pretoria Bureau

THE Government is expected to approve an increase of at least 15% in the price of wheat from the start of the new season in October, it was learnt in Pretoria yesterday.

The Wheat Board's price recommendation was forwarded to the National Marketing Council at the end of last week.

If the increase is approved it could lead to another rise in the bread price, unless the current Government subsidy of R148-million is increased. An announcement is expected early next month.

The bread price was last raised in April, when the price of a white loaf went up from 26c to 31c, and the price of brown and wholewheat bread from 16c to 20c. The subsidiary on a white loaf is currently 4,32c and on brown bread 11,29c.

However, Government sources in Pretoria believe the Government will raise the subsidy to delay another bread price rise until after next year's budget, at the earliest.

The wheat price was increased last year by 34%, after the price had remained at the same level for two years.

The general manager of the Wheat Board, Mr J van Aarde, declined to comment on the board's recommendation.

He did say, however, that producers' costs had risen steeply during the past 12 months, and that there was ample justification for a price adjustment.

Another factor supporting farmers' demands for compensation is the fact that this year's drought-hit crop is expected to be the smallest in 10 years.

For the first time since the late 1960s it is probable that wheat will have to be imported to meet the local demand.

The shortage could be as much as 300 000 tons.

Drought will force SA to use imported wheat

2/1/80
S. W. N.
29/8/80

Farming Correspondent
Because of drought, part of our daily bread is to be made of imported wheat.

The general manager of the Wheat Board, Mr D F van Aarde, said in Pretoria that the drought in the Cape and Free State had badly affected the wheat crop.

In the Western Cape only the Swartland, around Malmesbury and Moorreesburg, expected good yields.

Piketberg and Porterville, normally good wheat-producing districts, had had poor rains and their crop had largely failed.

In the Ruens region,

Riversdal would have almost no crop, while Caledon and Bredasdorp would produce less than expected, he said.

The most significant crop loss this season, however, occurred in the Free State. The western part of the region, around Bultfontein and Bothaville, would have almost no wheat crop.

Most farmers had no planting rains in autumn and those who could plant found that their seed would not germinate properly.

Only the eastern Free State, from Bethlehem to Ladybrand, would have any wheat.

The Free State wheat crop dropped from 1 200 000 tons to only 600 000 tons, Mr van Aarde said.

The good crop in the Springbok Flats — about 70 000 tons — could not make up for the loss elsewhere and the crop was expected to be 1 400 000 tons.

Local consumption was about 1 800 000 tons and the carryover of 600 000 tons from last year would take care of the deficit, but it would not be prudent to be without sufficient buffer stocks, said Mr van Aarde.

A low stock level also made distribution difficult.

3(wheat) (24) R10m
10/9/80
**Wheat up, but Govt
pegs the bread price**

By **GERALD REILLY**
Pretoria Bureau

THE producer price of wheat will be increased by 16% from next month — but the price of bread will remain at present levels.

This was announced in Pretoria yesterday by the Minister of Agriculture, Mr Hendrik Schoeman.

But a senior Wheat Board official said the prices of cake flour and white and brown bread meal would go up by about the same amount as the wheat price.

This is the latest in a series of price rises to affect Government-administered foods this year.

There have already been big

increases in the prices of maize and maize products, milk, butter and cheese.

And economists say the administered price rises are a major reason for the high level of inflation.

The president of the Housewives' League, Mrs Joy Hurwitz, said last night the higher bread, meal and flour prices would hit hard at the lower income groups and people living in rural areas.

She appealed to the Government to maintain the present prices of small packets of flour to aid pensioners and others struggling to make ends meet.

In his statement yesterday, Mr Schoeman said the price of grade A1 wheat, after the deduction of producer levies, has been fixed at R215 a ton for

the new season, starting on October 1.

The price at present is R185 a ton.

The R148 500 000 bread subsidy provided for in this year's Budget would keep the price of bread unchanged "for the present," Mr Schoeman said.

At present the white bread subsidy is 4,32c a loaf and on brown and wholewheat bread 11,29c.

These subsidies will have to be raised when the wheat price rise comes into force.

Last year, a 34% wheat price rise led to the biggest bread price increase on record.

In April, white bread shot up from 26c a loaf to 31c, and brown and wholewheat went up from 16c to 20c.

Bumper wheat crop expected

Augus 18/9/80
3 wheat

Boland Bureau
WESTERN CAPE wheat farmers are expecting a bumper crop this year — one likely to be 10 percent bigger than last year's above-average yield.

However, fruit and wine farmers are concerned, because dam levels are lower than normal for this time of the year, while other parts of the Cape — particularly Bushmanland and the Little Karoo — are still in the grip of drought.

In the Riversdale-Bredasdorp area and other parts of the South Western Districts the wheat crop is expected to be 30 percent lower than usual.

Cape Town's main dams are slightly down on last year with the exception of Voëlvlief, which contains more water than it did this time last year.

Steenbras is 75,5 percent full (77,3 percent last year), Wemmershoek is 99,8 percent (101,4 percent), Voëlvlief is 71,7 percent (65 percent).

'EXCELLENT'

Mr A F Kriel, chief extension officer of the Department of Agricultural Technical Services in the Western Cape, described the wheat crop prospects in the Malmesbury, Durbanville, Agter Paarl, Herman and Riebeeck districts as 'excellent.'

'These farmers can get through the season without further rain. They have had enough to assure a good crop,' he said.

However, wheat farmers in the Moorroesburg and Piketberg areas were not faring too well.

'We don't expect a crop failure there, but certainly the crop will not be as it should,' he said.

As far as sheep farmers are concerned, there is plenty of fodder because of adequate rainfalls.

Mr D Broodryk, manager of Westlike Graanboere Ko-op in Malmesbury, said the wheat crop was at a critical stage. Unless disease occurred it would be above average.

Mr F F le Grange, extension officer in Namaqualand, said his area had had its best rainfall in four years.

NO FODDER

Mr Louw Nolte, chief extension officer for the Little Karoo, said: 'I can't remember when last we had good rains. We had a bit in August and a little this month, but not enough to do any good,' he said.

There is no fodder production because we last had irrigation water in November and stocks of fodder have been used up. Fodder and mealies are being imported to feed livestock,' he said.

Mr Nolte said the whole district had been declared an emergency grazing area which, from Touws River to Ladismith, had experienced a poor lambing season, although no large-scale stock losses had been reported.

Wheat

RDM 16/10/80

crop

Wheat higher

THE second official estimate of South Africa's 1980-81 wheat crop has been revised upwards by 90 000 tons to 1 560 000 tons, says the Department of Agriculture. This is sharply below 1979-80 output of 2 090 000 because of drought in main growing areas.

The higher second estimate, based on conditions at the end of September, reflects the beneficial effects of rain in the Free State, which provides over 60% of the crop.

Rains last month in the Free State enabled farmers to plant spring wheat and helped to improve wheat already planted.

The wheat season runs officially from October 1 to September 30, but is complicated by different growing seasons in various regions.

In August, the Wheat Board manager, Mr Denis van Aarde, said South Africa might need to import wheat for the first time in 10 years if a crop of about 1 400 000 tons was harvested this season.

SA likely
③ wheat
to export
Rbm.

III.

wheat

By GERALD REILLY
Pretoria Bureau

SOUTH African wheat in limited quantities is likely to be exported to neighbouring countries to alleviate severe shortages during the next 12 months, it was learnt in Pretoria yesterday.

Reserve wheat stocks in Zimbabwe are expected to reach their lowest level next year for many years, and there is a possibility of a severe bread shortage.

However, according to the general manager of the Wheat Board, Mr J van Aarde, South Africa's own wheat resources have been severely cut this year by drought.

The crop is expected to yield about 1 500 000 tons against a national need of 1 800 000 tons. A carry-over of 600 000 tons, however, gives the country a two-and-a-half month buffer reserve.

The Government has just authorised a shipment of wheat to Malawi. Any further exports would mean a reduction in the reserve carry-over, and would raise the possibility of South Africa having to import wheat.

SA may have to import wheat

By GERALD REILLY
Pretoria Bureau

SOUTH Africa's wheat crop and the current carry-over may fall short of local requirements and the wheat board has contingency plans for imports which could cost about R20-million.

The manager of the board, Mr T van Aarde, said in Pretoria yesterday that with a crop currently estimated at 1.6-million tons, plus a carry-over from last season, available wheat would total 2 184 100 tons.

The total needed, however, including a normal 572 000 ton carry over, is 2 357 000 tons.

Total commercial milling requirements amount to 1 785 000 tons. Exports to Lesotho would amount to 27 000 tons and to Malawi 24 000 tons.

Whether more was made available for exports to other African countries would depend on the Government.

The current price of wheat on international markets was R195 a ton, landed in South Africa, which was R15 a ton less than the local producer price.

"So if we do have to import, we would make a small profit on the deal. Certainly the consumer would pay no more than he is paying now," Mr Van Aarde said.

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Wheat import decision

SOUTH Africa will decide by the end of January if it needs to import wheat for the first time in 10 years. However, indications are that the drought-affected 1980-81 crop may not prove as poor as at first feared, says the manager of the Wheat Board, Mr Denis van Aarde.

If imports are necessary, they should total no more than 150 000 tons and will probably consist of US hard winter No 2 wheat, which is almost equivalent in quality to South African wheat.

The Wheat Board's unofficial estimate of the 1980-81 crop is

about 1 600 000 tons compared with a pre-season estimate of 1 400 000 tons.

The Department of Agriculture's second official wheat crop estimate was revised upwards to 1 560 000 tons from an initial forecast of 1 470 000. The third estimate is due around mid-November.

The South African wheat season runs from October 1 to September 30, but is complicated by different growing seasons in various regions.

The higher estimate of the current crop reflects rains in September in the Free State,

which provides more than 60% of the South African crop.

Harvesting in the Free State usually takes place in January and rains between now and then could improve the crop.

The carryover into the current season is estimated at 375 000 tons, equivalent to 2,6 months' milling capacity, against a 587 300-ton carryover into last season.

Theoretically, with this season's carryover South Africa should be able to manage without imports provided the wheat crop does not deteriorate further.

SA to import 200 000 tons of wheat

SOUTH Africa plans to import 200 000 tons of wheat next year — probably from the United States — the general manager of the Wheat Board, Mr Dennis van Aarde, said in Pretoria yesterday.

The board took the decision this week because of South Africa's poor crop this year — now estimated at 1 454 000 tons, compared with 2 035 000 tons in 1979.

South Africa's yearly needs are 1 750 000 tons.

Mr Van Aarde said tenders for wheat imports would be called in the second week of January — for delivery between March and June.

He said South Africa had exported about 142 000 tons of last year's crop at the beginning of this year, but the exports were stopped in May when it became clear that cli-

matic conditions were not good for this season.

Normally, a four-month supply is carried over from one season to the next to meet local consumption, he said. With the 200 000 tons it was planned to import next year, there would be a carry-over of a 2½-month supply.

The landed cost of the imported wheat is expected to be about R225 a ton, compared with the present South African producers' price of R215 a ton for the best grade.

However, the price would even out to about the same level, with imports being used in areas closer to the harbour of arrival, and a consequent reduction in local distribution costs.

At the meeting of the International Wheat Board in London last week, the South African representatives had talks

with the other producer countries.

Australia could not supply more than she was contracted for; Canada's crop was below normal; Argentina had also suffered crop losses because of drought; and the wheat from the European Common Market was of a type and quality not suited for use in South Africa.

Officials of the US Department of Agriculture had indicated that America would be prepared to sell to South Africa, Mr Van Aarde said. Their wheat was suitable for local use.

Referring to the expected landed cost of R225 a ton, he said the failure of wheat crops in other parts of the world — including China and Russia — had not only pushed up the price, but had also tended to increase freight costs. — Sapa

120m
5/12/80
3 (wheat)
~~2/1~~

6/12/80
**Weather
forces
wheat
imports**

Own Correspondent

South Africa is to import 200 000 tons of wheat.

A spokesman for the Wheat Board said that this year's wheat crop would be only about 1 450 000 tons. Two months ago the crop was estimated at 1 580 000 tons.

In the wheat-growing areas of the Western Cape harvesting operations were still being hampered by untimely heavy rains while, in the Free State, yields had been badly affected by late frosts and drought conditions.

These factors had caused a loss of 130 000 tons of wheat since October.

Domestic consumption stood at 1 800 000 tons. The shortfall of 350 000 tons could be borne out of last year's carry-over of 580 000 tons but this would leave South Africa almost no reserve stocks.

Because of South Africa's uncertain climate it was the Wheat Board's policy to maintain a reserve of up to four months' consumption, or 600 000 tons.

It had, therefore, been decided to import 200 000 tons at an estimated landed cost of R225 a ton. The domestic producer price was R215 a ton.

This meant an added cost to the country of R2-million. As world wheat prices were unstable, however, the extra outlay could be much higher.

The board's decision had still to be approved by the Minister of Agriculture, the spokesman said.

DD 16/1/81
SA imports winter wheat

JOHANNESBURG — The South African Wheat Board purchased 210 000 tons of hard winter wheat from the US yesterday, to make up the shortfall in the domestic crop caused by drought in the Western Cape and Free State.

This is the first time in ten years the country has had to import wheat.

The average price (fob) paid was R149 a ton. The present domestic price is R215 a ton. — DDC.

RDM 19/1/87 (3 wheat) 7/8

SA to import wheat for R45m

Pretoria Bureau

SOUTH AFRICA will spend about R45-million on wheat imports this year to supplement a crop severely hit by drought, the manager of the Wheat Board, Mr J van Aarde, said in Pretoria last week.

Latest estimates had shown a further drop of 69 000 tons to the smallest crop for some years of 1 387-million tons, he said.

Mr Van Aarde said that 1 800 000 tons were needed to satisfy local demand.

"There is also a carry-over from last season of about 600 000 tons and this should hopefully see us through — with the imports — to December when a start will be made with the new harvest."

Arrangements had been made to import 220 000 tons between March and July.

The average price, he said, was R149 a ton. When freight, insurance, handling and landing charges were added, however, the price would rise to just over R200 a ton.

The consumer, Mr Van Aarde said, would pay no more for wheat products because of the imports.

Any loss on the import deal, he said, would be borne by the Government and any profit would go into State coffers.

D H Pryce Lewis

year.

For the best work in fourth
Osborn Prize

S A Read

For the best final year student.
General J B M Hertzog Prize

D H Pryce Lewis

For the best student of
Architecture (or Quantity
Surveying) in the subject
of Professional Practice.
David Haddon Prize

Miss C Tredgold

in third year.
For the best woman student
Molly Gohl Memorial Prize

P A Rappoport

1st, 2nd and 3rd major courses.
For a student who has
satisfactorily completed
Helen Gardner Travel Prize

P F Dunckley

Sixth Year

For the best student in :-
of Architects' Prize
Cape Provincial Institute

ARCHITECTURE

WHEAT Wheat Re-think time?

FM 20/1/81

For several years the Maize Board has been taking money from its stabilisation fund to subsidise exports. Now the Wheat Board is going to show us how the same game can be played in reverse. In the wake of a poor season in the Free State it has negotiated the purchase of 210 000 t of grain from North America.

Since most of the world's grain hulls are already busy transporting Western

farm surpluses to communist consumers, the cost of landing our purchases in Durban, East London and Port Elizabeth is still not known.

A spokesman for the board has, however, estimated that shipping and insurance will add between R35/t and R50/t to the purchase price of R150 (\$198). Even if we take his higher estimate to be correct, it still means that the imported wheat will be landed here at a price comfortably below both the local selling price of R218,25/t and the R215/t being paid to our own growers.

So the board stands to make a profit on the deal to add to its reserves. This immediately raises the question of whether it wouldn't be better for us to import more of our wheat.

At the moment our wheat pricing policy is aimed at self-sufficiency. And, since this is the first time we have had to import in 10 years, it must be admitted that our artificially high producer prices

have achieved that objective.

But is the cost too high? Many economists, and even farmers, are beginning to ask whether it might not be better for us to admit that we cannot grow all our own winter cereals at competitive prices. They argue that an artificially high wheat price serves only to direct scarce arable land from other uses.

Would it not be better under maize, oilseeds, or other crops which we stand a long-term chance of remaining internationally competitive? But that is not the only debating point. This year's diminutive harvest has once again focused attention on the bread subsidy. The 8,5c consumer subsidy on white bread and the 15c on each loaf of brown are not only costing the taxpayers R200m a year. They must also serve to increase consumer demand for wheaten products by accelerating the consumer shift from maize. Does this make sense while we are short of wheat and exporting mealies at a loss?

All of these questions were raised at this year's 'Agrocon' conference. And, while none of them was satisfactorily answered at the time, it was evident from the tone of the discussions that the time for a re-think is nigh.

FACULTY OF ENGINEERING

Corporation Medals
For the best student in each
of the 2nd, 3rd and final years.

Second Year (Bronze Medal)

Miss G C Littlewort

Third Year (Silver Medal)

Miss N C Davidson

Fourth Year (Gold Medal)

P M Salmon

T J Cumming

D P Weeks

J H Rens

B F McClelland

Professor George Menzies Prize
Awarded on results of final
examinations to the best male
student in Land Surveying or
Civil Engineering.

J H Rens

Sammy Sacks Memorial Prize
Awarded to the student with the
best classwork in Engineering
Drawing.

L Menegaldo

A E & C I Prize

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G L Cragg

Wheat
crop 24/2/81
down 3 wheat

THE final official estimate of South Africa's 1980-81 wheat crop has been raised slightly to 1 470 000 tons from 1 460 000 forecast last month, says the Department of Agriculture.

This is below 1979-80 output of 2 090 000 and the cause is severe drought in main growing areas.

The final estimate is based on conditions at the end of January.

South Africa is importing 210 000 tons of US hard winter wheat because of drought damage to the current crop.

The wheat will arrive in three lots in March, April and May. This is the first time for 10 years that South Africa has imported wheat.

South Africa has no plans to import more wheat this season, which runs from October 1 to September 30, but is complicated by different regional growing seasons.

CHEMICAL

The S

GENE

3/5/81
**Worst
wheat crop
in decade**

3 (wheat)
STATE
Own Correspondent

This season's wheat crop is expected to be the worst in 10 years.

The Department of Agriculture and Fisheries' latest newsletter issued in Pretoria, says the drop in production is mainly the result of poor harvests in the Free State and Ruens area.

But prospects for the coming season appear to be better because of the good rains.

Between 1971 and 1976 white mining wages were approximately doubled while those for Africans quadrupled. The wage increase in average African earnings per month before August 1977, that is for the year 1976 to 1977, was R102,40, whilst for the year 1978 they increased to R115. (245) But compensation payments for Africans have not been readjusted in proportion to the substantial increases in African cash wages. (246)

However, it should be borne in mind that since 1973, Africans have worked for shorter average periods. This has induced management to encourage Africans to return more frequently and to engage in mining on a full-time basis. (247)

Recently it has been suggested that mining does not increase the risk of tuberculosis. It is claimed, ^{by some workers} that tuberculosis is not a mining disease at all, and that the industry is being forced to pay for its

41. It is the 50 per cent increase which concerns the following calculations. On average, wages for blacks in 1921 were 2.2ls. per shift. (240) This means that their average monthly cash earnings were approximately £2.16.0. for a 26 shift month. During the same period the lowest average wage for an underground white miner was £30. (241) This means that the ratio of white to black underground earnings was approximately 10,7 : 1. Africans received an average compensation of approximately £47.16.8, while whites received a minimum of £270.

By 1973 Africans employed underground and Whites received cash earnings of approximately R32 and R330 per month respectively. (242) At the same time their awards for simple tuberculosis compensation were R600 and R5 000 respectively. This means that the ratio of white to black underground cash earnings was approximately 10,3 : 1 while the ratio of white to black compensation payments was approximately 8,3 : 1. Thus while the ratio of white to black cash earnings was lower in 1973 than in 1921, the ratio of white to black compensation

Since 1973 there has been a marked decrease in the black average earnings on the mines. For all white (underground and surface) the ratio of white to black from 16,8 : 1 in 1973 to 7,8 : 1 in 1977. This table I.

Table I
Average Annual Wages and Salaries on Gold Mines

Year	White	Non-white (99 % ex)
1973	5 724	341
1974	6 762	545
1975	7 607	906
1976	8 449	1 072
1977	9 319	1 197

The following table II indicates the rise of wages for African novices:

Table II

Starting Monthly Cash Wages (African novices)

Effective Date	Underground	Surface
June 1971	10,92	8,84
1972	13,00	9,88
1973	-	-
1974	-	-
June 1975	57,20	36,40
June 1976	65,00	40,30
Aug 1977	68,90	42,90
July 1978	76,70	50,70 (244)

Now SA
must ^{20M} import ^{3 wheat} wheat ^{4/3/81}

Own Correspondent

CAPE TOWN. — The Wheat Board has had to import wheat for the first time in 12 years to supplement local stocks.

And this season's harvest is expected to be the poorest in the last 10 years.

The admission came from the manager of the Wheat Board, Mr D F van Aarde, addressing a congress of the Orange-Free State Agricultural Union in Bethlehem.

And it is backed up by the latest newsletter from the Department of Agriculture and Fisheries.

Mr Van Aarde also said that, despite the good rains this season, it was still too early to make any firm predictions on the current crop.

The Wheat Board's purchases for the current season were estimated at 1 387 000 tons. But 1 785 000 tons will be consumed.

Mr Van Aarde attributed this season's smaller harvest compared with 2 030 500 tons last season, to the Free State and the Ruens area, which had experienced dry conditions during the planting and growing seasons.

The Free State had produced 519 700 tons and the Ruens area 139 700 tons which, in both instances, had been the poorest harvests in the past decade.

Mr Van Aarde said this year's wheat purchases in the Free State would only be about 42% of last year's record amount, while the purchases in the Ruens area would be about 70% of last year's.

continuation of compensation for tuberculosis is necessary. In addition, the Medical Bureau for Occupational Diseases stated in its 1973-1974 report that tuberculosis, despite intensive efforts by the mine medical officers to control it, continues to be a predominant reason for certification, for which a solution does not yet appear to be in sight. (249a)

The principle on which less compensation is awarded for black silicotics may be because of the belief that their intermittent service renders them less liable to contract the disease than full-time white miners. However, this theory has not been proved or disproved. (250) Experiments undertaken with animals have also shown that short but concentrated periods of high dust exposure may cause the disease to develop far sooner than others who have had average amounts of dust exposure, the total of which is the same as the former, but over a very lengthy period of time. As Africans today are subjected to these short periods of

SA imports wheats

Staff Reporter

THE Wheat Board is importing wheat for the first time in 12 years to supplement local stocks and this season's harvest is expected to be the poorest in 10 years

This was announced by the manager of the board, Mr D F van Aarde, when he addressed a congress of the Free State Agricultural Union at Bethlehem, according to the latest newsletter of the Department of Agriculture and Fisheries.

He said that although prospects for the coming season looked good due to recent rains, it was still too early to make firm predictions.

At this stage, the board's purchases for the current season were estimated at only 1 387 000 tons, as opposed to the 1 785 000 tons which would be consumed, he said.

He attributed this season's smaller harvest (2 030 500 tons last season) to the dry conditions in the Free State and the Ruens area during the planting and growing seasons.

The Free State had produced 519 700 tons and the Ruens area 139 700 tons which, in both instances, had been the poorest harvests in the past decade.

Mr Van Aarde said that this year's wheat purchases in the Free State would be only 42 percent of last year's record amount, while the purchases in the Ruens area would be 70 percent of last year's amount.

The Swartland had once again had a record crop and the board's purchase of 282 500 tons was about 4 percent more than the 1975-76 season record of 272 150 tons.

FOOD

③ Wheat
Crumbs! FM 31/12/81

The price of brown and wholewheat bread will rise 40% to 28c a loaf and the price of white bread 33% to 40c a standard loaf on Saturday (August 1) because the Treasury does not see its way clear to increase the subsidy from its existing level of R162m a year to an estimated R233m if the consumer price were to be held.

This indicates that wheat producers will be awarded an increase of about 15% - 20% when their price is adjusted in October.

The increase sought by growers has not yet been communicated to the Ministry of Agriculture, but it will be substantial because of what looks like being two successive short crops of well under 2m t.

According to Agriculture Minister Pietie du Plessis, about 280 000 t of wheat has had to be imported this year. If the current crop does not match last year's poorish 1,7m t, further imports will be on the cards. Current consumption is about 1,6m t a year.

Du Plessis says government regards wheat production as a highly strategic industry and everything must be done to keep producers on the land. Even if current international prices were substantially lower than the existing SA producer price of R215/t (they are currently about R10/t lower), it would not have been

altogether sound strategy to resort to imports to beat price increases.

But there seems to be a strong possibility that if the producer price of wheat goes up to R230/t or more in October many maize producers could switch to wheat.

Finance Minister Horwood says a wheat subsidy of R233m or more is just not possible under current economic conditions. Moreover, he would in time like to see the subsidy disappear to allow prices to respond more freely to market conditions.

But that will take some time. SA conditions are not ideal for wheat production. Heavy crop fluctuations are a way of life for producers.

BREAD F-M 7th Aug 1981
To subsidise or not?

(WA) 3 wheat

The large rises in the bread price at the beginning of this month were made to obviate the need for any increase in the present R170m bread subsidy — an indication that Pretoria is ultimately planning to put an end to bread subsidies, and allow prices to reflect market forces.

At a press conference to announce the price increases (brown bread rose 40% to 28c/loaf, white bread 33% to 40c/loaf), Finance Minister Owen Horwood said the time had come to call a halt on further increments in Exchequer support of the bread price (the graph shows that wheat accounts for 40% of the price of a standard loaf).

He indicated that government would prefer the price to reflect market forces, but this would have to be phased in over some period.

The controversy regarding subsidies has subsequently been rekindled. The Wheat Board supports government's direction, while Tony Bloom, MD of the Premier Group, feels subsidies are necessary in certain sectors of SA's economy.

It seems clear that if Pretoria does move towards greater black participation in the market economy, as it claims to be doing, then subsidies ought to fall away. But then subsidy cuts should apply through the whole system, and not only at retail level. Farmers are still protected through loans from the Land Bank —

indirect subsidies — and they are also taxed differently. And, how can Pretoria not subsidise bread when the postal service is indirectly subsidised through tax concessions on post office savings accounts?

At any rate, while blacks are excluded from participation, as they are now, their real income situation will be worsened without subsidies.

Certainly, Bloom argues that judicious intervention and greater use of subsidies are necessary because of the number of consumers at the bottom end of the wage scale.

In addition, maize — the staple diet of the majority of South Africans — has gone up steadily over the past five years, and Bloom says there is a good argument for a larger maize subsidy.

He points out that the price of fruit and vegetables — set by free market mechanisms — have had terrific rises, while bread — which is controlled — is a bargain for the consumer.

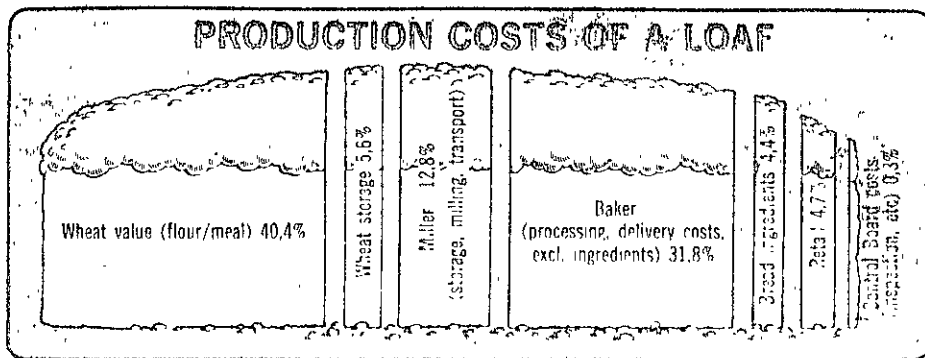
Compared to other industrial nations, SA still has cheap bread. The price of a 900 g loaf of bread in Berne is R1.23; Buenos Aires, R1.60. London, 76c; Paris, 81c; Tokyo, R1.29, and Washington, R1.14

Horwood compared the bread subsidy with government support of Escom in the Seventies, and the subsequent painful adjustment to cost-related tariffs.

He may find that bread and electricity bear no comparison. For a start, wheat production is notoriously unstable. Under "normal" conditions, the SA crop rarely exceeds 2 Mt. Last year's 1.5 Mt was a certified crop failure. Domestic consumption is about 1.6 Mt, so 280 000 t has had to be imported to make good the shortfall, and provide a carry-over for 1981. Estimates are that the current crop will be about 1.7 Mt.

Even so, wheat farming in SA had expanded until last year's drought. In 1957, SA produced 733 850 t; in 1976/1977, 2.2 Mt; and in 1979/1980, over 2 Mt.

But in the Swartland of the Western



Cape — the best wheat-growing area in SA — the crop is expected to be 25% short as a result of Russian aphid. To combat the infestation costs R16-R18/ha.

Another factor is that SA yields a very low 1.2 t/ha (the US yields 2.3 t and Europe 3.5 t). This is attributed to poor soil fertility, and an adverse climate.

The only way to beat the escalating costs of production (over the past 10 years, fuel has risen 717%; machinery 214%; and fertiliser 263%) is to increase the yield. And here, Dennis Van Aarde, GM of the Wheat Board, suggests spending a far bigger amount than the present R25m/year on research for all agriculture in SA. Cost increases of the farmer could then be pegged by higher yields.

According to Agriculture Minister Pietie du Plessis, it is government policy to strive for total self-reliance in wheat production.

Under the circumstances, it is hard to shake off suspicion that the wheat price (and the bread price), both administered by government, reflect levels which compensate growers for the lower financial yield on a short crop. In the same way, the last maize price fix was held because growers would reap the financial rewards of a 40% larger crop.

Government economists strongly deny that this is their strategy. To make good such loss, there is emergency relief in the form of debt rescheduling and interest rate assistance.

But the self-reliance-at-all-costs-policy ignores three vital considerations: the damage done by overploughing unsuitable land, the high cost of storage (and the danger of waste); and the burden to the taxpayer of the subsidy. In most years, wheat can be imported at substantial discount to the current price of R215/t in SA.

Van Aarde denies the allegations of self-sufficiency at all costs, and says that wheat cannot be imported more cheaply.

Says Van Aarde: "In the long term, there will be no world wheat surplus, although short-term surpluses may occur. The world production for 1981-1982 is estimated at 460 Mt-470 Mt, while consumption for the same period is estimated at 460 Mt. It is obviously important for us to be self-sufficient."

On the question of importing cheaper wheat, Van Aarde adds: "On average, the cost of importing grade 2 wheat from the US was R150/t fob. But the landed cost is pushed up to R205/t by freight, customs duty, wharfage, etc, and this compares favourably with SA prices."

The price hike is nevertheless a large one, and one which will adversely affect lower income groups — especially the urban black whose staple diet is bread, and not maize meal.

Wheat to be imported

RD 124/8M

3 wheat
~~24~~

SOUTH Africa will have to import an estimated minimum 200 000 tons of wheat next season for the second successive year, says the Wheat Board manager, Mr Denis van Aarde.

He said an early estimate for the 1981-82 season (October-September) was a yield of 1 700 000 tons. Conditions had improved since then, but a minimum import of 200 000 tons would be required.

With last season's crop of 1 380 000 tons the worst for 10 years, South Africa was forced to import 286 000 tons, only the second time in 11 years it had imported wheat.

Mr Van Aarde said this sea-

son's carryover of 423 800 tons, equivalent to 2,8 months' consumption, would last until the middle of December when the first of the new crop became available for millers.

He says the main cause of the shortfall was the protracted drought early this year, particularly in the Free State which provides more than 60% of the South African crop. This caused many farmers to switch to maize and sunflower.

For the farmers to switch back to wheat means they will have to lose almost a season and this has resulted in less than the normal area under wheat.

Annual consumption is 1 900 000 tons. This includes exports to Lesotho and the amount required for seed. — Reuter.

2/9/81

Wheat

Wheat

128. Mr. K. M. ANDREW asked the Minister of Agriculture and Fisheries:

Hans. 5 B.C. 267 2/9/81

- (1) (a) What quantity of wheat was (i) imported and (ii) exported, and (b) at what average price was such wheat (i) imported and (ii) exported, during each of the latest specified three years for which figures are available;
- (2) what were the average prices of wheat (a) imported and (b) exported during each such year as calculated on the South African free-on-board basis?

269

WEDNESDAY, 2 SEPTEMBER 1981

270

The MINISTER OF AGRICULTURE AND FISHERIES:

	(1)(a)(i) Metric ton	(1)(a)(ii) Metric ton	(1)(b)(i) R/ton	(1)(b)(ii) for R/ton
1978-'79	None	126 190	Na	112,10
1979-'80	None	141 306	Na	149,32
1980-'81	286 000	13 000	205,22*	204,09

* Landed costs at the port before the distribution costs are added.

- (2) (a) Imports are not effected on a South African free-on-board-basis and prices on this basis are consequently not available.
- (b) Exports are effected either on a free-on-rail-basis or on a free-alongside-elevator basis. Prices on a free-on-board-basis are consequently not available.

20th 9/19/48
Price of
wheat is
up 11,8%

By HELEN ZILLE

THE producer price of wheat will increase by 11,8% on October 1, the Minister of Agriculture, Mr. P. du Plessis, announced in Cape Town last night. Mr. Du Plessis said the basic producer price of "class A one" wheat had been fixed at R241,40 a ton.

Mr. Du Plessis also said a shortage of about 260 000 tons was expected in the coming season.

The Opposition spokesman on agriculture, Mr. P. Myburgh, said the Government had created a situation in which producers would barely cover their costs while the consumer would have to pay through the neck.

(3 wheat) (240)
CT 9/9/81 80

Wheat price to rise 11 percent

Political Staff

THE producer price of wheat will increase by 11,8 percent on October 1, the Minister of Agriculture, Mr Pietie du Plessis, announced last night.

In a statement, Mr Du Plessis said the basic producer price of "class A1" wheat had been fixed at R241,40 a ton for the new season starting on October 1. This is 11,8 percent higher than the price of R215 a ton set last year.

Mr Du Plessis also announced that a shortage of approximately 260 000 tons of wheat was expected during the coming season, after allowance for the normal buffer stocks.

The 11,8 percent increase was described as "surprise" by Mr Philip Myburgh, Opposition spokesman on agriculture, because it was considerably lower than the recent 40 percent increase in the price of brown bread and the 33 percent increase in the price of white.

Mr Myburgh said he feared the price of bread would be increased again during the current financial year unless the government was pre-

pared to increase the R160-million subsidy on bread allocated in this year's budget.

"The government has created a situation in which the producers will barely cover their production costs while the consumer will have to pay through his neck for bread. The only answer to this situation is a considerable increase in the bread subsidy, which is the kind of action expected by every civilized society," Mr Myburgh said.

The "dramatic increase" in the bread price was clearly due to factors other than the wheat price increase. The causes of the bread price increase could be laid at the door of government policy including:

- The restriction on the issuing of bakers' licences;
 - the insistence on applying general sales tax to bread;
 - taxes on diesel fuel for agricultural purposes;
 - the high cost of tractors and other agricultural equipment which, in South Africa were among the "highest in the world".
- (Report by H Zille, 77, Burg Street, Cape Town.)

Hans 10
 7/10/81 Wheat
 445. Mr. P. A. MYBURGH asked the Minister of Agriculture and Fisheries: 3 wheat

- (1) (a)(i) What was the anticipated yield in the main wheat-producing areas when the 11,8% increase in the price of wheat was agreed upon and (ii) which are these areas and (b)(i) what tonnage of wheat was to be imported in terms of such anticipated yield and (ii) what was the anticipated price per ton of the wheat to be so imported;
- (2) (a) what is the latest anticipated yield in the areas concerned in the light of the latest crop projections made by the General Manager of the Wheat Board and (b)(i) what tonnage will have to be imported in terms of the latest anticipated yield and (ii) at what price per ton;
- (3) (a) what will be the additional cost of producing the crop should the difference in yield be in accordance with the revised estimate and (b) what will be the additional net profit to the wheat producer?

The MINISTER OF AGRICULTURE AND FISHERIES:

- (1) (a) (i) 1 725 000 tons according to the Wheat Board's preliminary estimate.

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WEDNESDAY, 7 C

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7/10/81
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(ii) All four provinces.

(b) (i) 260 000 tons.

(ii) R205,22 per ton (Landed price).

(2) (a)	Cape Province	700 000 tons
	Orange Free State	1 088 000 tons
	Transvaal	262 000 tons
	Natal	3 000 tons

Total	2 053 000 tons
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(b) (i) None.

(ii) Falls away.

(3) (a) Not determinable due to the changing circumstances from year to year during the planting, growing and harvesting periods which influence the total production costs of a specific crop.

Production costs can therefore not be readily determined in advance.

(b) Not determinable as the total production costs are not yet available.

Har
71

SWARTLAND GOLD!

**This year
there's
R10-m
more in
Western
Cape's
'bread
basket'**

SWARTLAND wheat farmers will earn about R10-million more than last year, but the general quality of the crop produced in the 250 000 hectare 'bread basket' of the Western Cape will be a far lower grade than normal.

This was disclosed today by the secretary of the winter cereal commodity committee of the South African Agricultural Union, Dr J B de Swardt, who said the combined estimated yield from the Swartland this year is expected to be about 293 000 tons which will net the farmers about R70-million.

The 1 000 farmers in the Swartland produced only 250 000 tons of wheat last year — a crop which earned them about R60-million.

According to Dr de Swardt the drop in quality of this year's crop can be attributed to the drought during the early half of the season and then the cold and damp weather which hit the area during the flowering stage of the plants.

ARGUS 29 10 '81 (3) WHEAT HARVESTING THIS WEEK

Mr Eddie Pienaar of the Westelike Graanboere Koöp in Malmesbury said the Swartland farmers, who started harvesting this week, produced about 400 000 tons of wheat during a good year.

'The production yield in the Swartland and that from the Bredasdorp-Mossel Bay strip used to be about 40 percent of the country's total wheat crop,' he said.

'Now we are down to just over 20 percent of the national figure.'

Figures from the Wheat Board show that South Africa's total wheat yield this year will be about two-million tons — a crop valued at almost R500-million.

• Pictures by Doug Pithey



MR JOOS FREDERICKS, 37, up to his neck in Swartland wheat. He drives a combine harvester.



THE combine harvesters of the Swartland are pouring millions of rands' worth of wheat into lorries for what is expected to be a large but low-grade harvest. Mr Albertus Davids, 31, shovels wheat on a Swartland farm.



MR KOSIE LAUBSHER, 32, a Swartland farmer. Last year the 1 000 Swartland farmers earned about R60-million from a small crop. This year it is likely to be R10-million more.



MR FREDERICKS with the staff of life for Swartland wheat farmers. The estimated yield from the area will be about 293 000 tons — well below the 400 000-ton capacity in a good year.

AGRICULTURE — WHEAT

1982

Feb. — Dec.

(3) ~~Wheat~~ wheat
**S A to seek tenders
for 100 000 tons of
U S wheat**

JOHANNESBURG— South Africa will call for tenders for 100 000 tons of US hard winter No. 2 wheat within the next week or so, Wheat Board manager Mr Denis van Aarde said.

He told Reuters that the wheat, which is produced in Kansas and Texas and is of a similar quality to South African wheat, will be for delivery here in April, May and June.

Mr van Aarde said South Africa needs to import wheat despite Wheat Board projections that this season's crop will rise to a record 2,19 million tons from last season's drought-hit outturn of 1,38 million tons.

South Africa imported 286 000 tons of US hard winter No. 2 wheat last season, the first time imports had been needed for 13 years, he said.

Importer

With annual domestic consumption rising steadily in recent years, indications are that South Africa may become a permanent wheat importer, he added.

South African wheat consumption last year totalled 2,05 million tons after meeting commercial milling needs, providing for seed and supplying Lesotho and some other African countries, including Malawi, Mr van Aarde said.

The amount of extra land available for wheat plantings is fairly limited and crops of about 2 000 000 tons would be considered good over the next few years, he said.

Continued dependence on imports is likely, although there is in the long-term a slight possibility of some farmers switching to wheat from maize if prices make this worthwhile, he added.

Imports of 100 000 tons of wheat will give South Africa a carry-over of 3,5

months' milling capacity into next season compared with last season's 2,6 months' carry-over.

A decision on whether further imports will be needed can be taken later this year after plantings have taken place, he said.

Plantings

Plantings begin later this month in secluded areas, but main plantings take place in April and May; and if additional imports are needed, a decision would be taken before the end of September, he noted.

Mr van Aarde said the Wheat Board's preliminary unofficial estimate of the 1981/82 crop was 1,72 million tons, based on seed sales, but a dramatic improvement in the weather later lifted the forecast to record levels.

The South African wheat season runs officially from October 1 to September 30, but is complicated by different growing seasons in various regions. The major Free State crop is harvested in January. — (Reuter)

SOUTH Africa will call for tenders for 100 000 tons of US hard winter number two wheat within the next week or so, the Wheat Board manager, Mr Denis van Aarde said.

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South Africa to import a further 100 000 tons of wheat

③ wheat
10/2/82

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Wheat import cost puzzle

Verybody - and that takes groups, government, the agencies, the insurance in- hat the pillow that pops he torso in a collision is e thousands of lives.

WHAT EVER HA It looks gre in the car co medical prote dustry - one out of the de a great idea.

Mall Correspondent

he editorial column of a formal, impersonal style, so

THERE was uncertainty in top Government circles yesterday about whether 100 000 tons of wheat to be imported to South Africa this year would be subject to the 10% import surcharge announced yesterday by Mr Horwood.

The imported wheat costs South Africa about R1 600 a ton, a total of R160-million for the year.

If the import surcharge is imposed it means that South Africans will have to pay another R16-million.

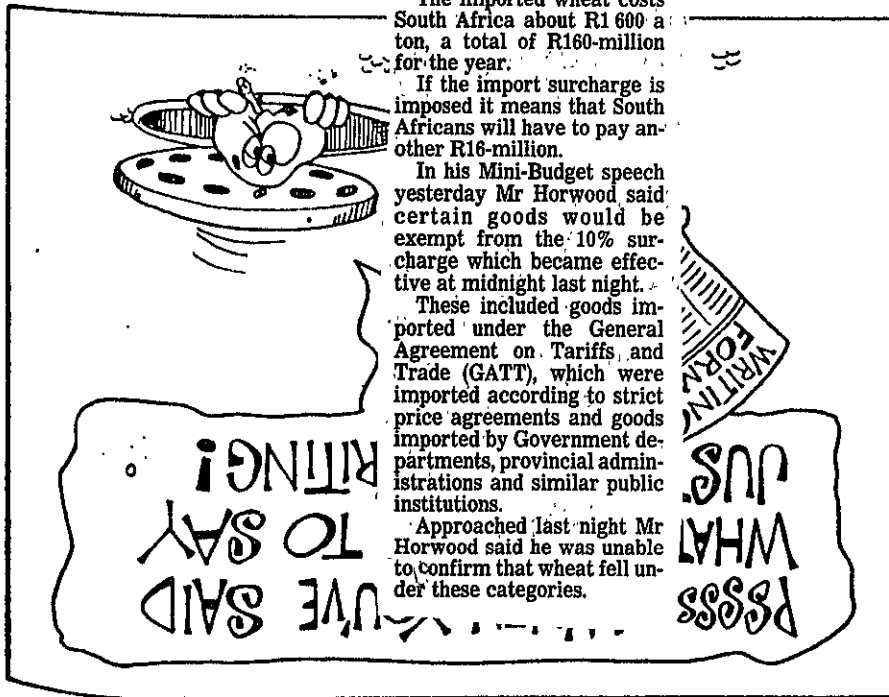
In his Mini-Budget speech yesterday Mr Horwood said certain goods would be exempt from the 10% surcharge which became effective at midnight last night.

These included goods imported under the General Agreement on Tariffs and Trade (GATT), which were imported according to strict price agreements and goods imported by Government departments, provincial administrations and similar public institutions.

Approached last night Mr Horwood said he was unable to confirm that wheat fell under these categories.

conservative jo that it would b Rewrite the pas

CAPTION: D



Laird, p.142

While there is no time deadline placed on this project it seems that a period of approximately two months should be adequately long. It would appear to me that one possible approach to this task would be for someone from our office to visit with the client, Ms. Ge lert, and find out exactly what her needs and requirements are and then submit an action plan listing in detail the steps necessary to accomplish fully the objectives set out in her letter.

Good writers are aware that clear writing is usually brief. But if you try deliberately to make the writing as short as possible you may leave out ideas, or you may sound blunt and overbearing. Still, good writers learn to recognise and avoid wasted words. Try to recognise the wasted words in this memo from an executive to a member of his staff. Rewrite this passage without them.

herein will prove of ultimate value. Should there be any questions, the writer will be pleased to render further assistance.

Bread ^(3 wheat) price soon ^(24c) up 12,5%

100M Mail Reporter 6/3/82

WHITE and brown bread prices increase by at least 13,75% and 12,5% respectively when the Government's lower bread subsidy comes into effect on October 1.

And the Wheat Board chairman, Mr Denis van Aarde, said yesterday consumers could expect even bigger increases — the new wheat price is also effective from October 1.

Mr Van Aarde said if the new subsidy were to take effect immediately, white bread would increase from 40c a loaf to 45,5c and brown bread by 3,5c to 31,5c.

He urged consumers to be "realistic" — and accept millers and bakers had to cope with cost increases. The higher costs will push up the wheat price — causing the bread price to rise further. The new wheat price is at present "being negotiated", Mr Van Aarde said.

The Minister of Finance, Mr Owen Horwood, announced earlier this year that from October 1 white bread is to be subsidised with 5% of the manufacturing cost and brown bread with 20%. Currently, white and brown bread is subsidised by 12% and 34% respectively.

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Wheat

(3) ~~Dairy products/meat/wheat~~ Dairy products/meat/wheat 11/3/80
Hansard Q. Col. 350

265. Mr. D. J. N. MALCOMESS asked the Minister of Agriculture and Fisheries:

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

The MINISTER OF AGRICULTURE AND FISHERIES:

- (a) R 7 966 744
- (b) R10 977 940
- (c) R 788 768

Note:

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

	(a) R/ton	(b) R/ton (y)	(c) R/ton (y)
1976-'77	123.30	120.18	120.18
1977-'78	123.97	120.34	120.34
1978-'79	141.24	134.78	134.78
1979-'80	186.78	182.91	182.91
1980-'81	205.00	217.13	212.85

3 wheat *MSB* Flour prices *Howard*
Col. 421-422 17/3/82
 323. Mr. G. S. BARTLETT asked the Minister of Agriculture and Fisheries:

What was the average annual price paid for flour (a) supplied to (i) bakers of bread, (ii) confectionery bakers, (iii)

The MINISTER OF AGRICULTURE AND FISHERIES:

wholesalers and (iv) retailers and (b) on sale to the public for each of the latest specified five years for which figures are available?

	Cake flour R/t		White bread flour R/t		Brown bread meal R/t	
	(i)	(ii)	(i)	(ii)	(i)	(ii)
1977-'78	247.30	221.47	200.52	290.60	297.41	339.42
(1.10.77-30.6.78)	231.84	225.36	203.98	227.67	342.75	389.36
1978-'79	281.51	251.46	227.67	290.60	297.41	339.42
(1.10.78-30.9.79)	361.97	322.00	227.67	290.60	297.41	339.42
1979-'80	381.32	334.43	297.41	339.42	342.75	389.36
(1.4.80-30.9.80)	434.50	381.35	339.42	385.13	342.75	389.36
1980-'81	438.80	385.13	342.75	389.36	389.36	389.36
(1.5.81-30.9.81)	499.11	436.99	389.36	389.36	389.36	389.36
1981-'82						
(1.10.81-30.9.82)						

(Price in respect of quantities of 3 ton or more at a time.)

(b)	Cake flour		White bread flour		Brown bread meal	
	(i)	(ii)	(i)	(ii)	(i)	(ii)
1977-'78	R0.81	R0.65	R0.62	0.71	0.82	1.03
(1.10.77-5.1.78)	0.81	0.75	0.72	0.72	0.82	1.03
1978-'78	0.81	0.75	0.72	0.72	0.82	1.03
(6.1.78-30.6.78)	0.82	0.76	0.82	0.82	0.82	0.82
1979-'79	0.93	0.85	0.82	0.82	0.82	0.82
(1.7.78-30.9.78)	1.18	1.08	0.82	0.82	0.82	0.82
1979-'80	1.18	1.08	0.82	0.82	0.82	0.82
(1.10.78-30.9.79)						
1979-'80						
(1.10.79-15.11.79)						

	Cake flour	White bread flour	Brown bread meal
1979-'80	1.18	1.08	0.63
(16.11.79-31.3.80)	1.24	1.11	0.65
1979-'80	1.41	1.27	0.80
(1.4.80-30.9.80)	1.42	1.29	0.81
1980-'81	1.61	1.45	0.97
(1.10.80-30.4.81)			
1980-'81			
(1.5.81-30.9.81)			
1981-'82			
(1.10.81-30.9.82)			

(Maximum prices paid by consumers for packages of 2.5 kg.)

324. Mr. G. S. BARTLETT asked the Minister of Agriculture and Fisheries:

What was the amount (a) budgeted for and (b) actually spent on bread subsidies in respect of each of the latest specified five years for which figures are available?

The MINISTER OF AGRICULTURE AND FISHERIES:

	(a) R million	(b) R
1977-'78	66.2	65 370 000
1978-'79	57.4	57 361 000
1979-'80	117.0	116 393 000
1980-'81	175.0	162 106 000
1981-'82	Not yet available	Not yet available

* Restricted to the catching of live bait for tuna fishing, except in 1980 and 1981, when 2 licences were also allotted "elsewhere" for ordinary bait.

(b) Bait nets used outside False Bay may not exceed 120 fathoms in length and 15 fathoms in width. Purse seine nets for catching pelagic fish inside False Bay may not exceed 50 fathoms in length and 8 fathoms in width. The permit/licence holder may not operate with a purse seine net within the yellow tail reserve between Quoin Point and Cape St Blaize. Nets or any portion of a net with a mesh size of less than 2.8 cm may not be used for catching bait. Pelagic fish may not be delivered to any fish processing factory for processing to fishmeal or fish oil or canning. Pelagic fish caught may only be used for bait purposes or for human consumption. The bait boat licence/permit is not transferable without the prior approval of the Director of Sea Fisheries.

(a)	(i) False Bay	(ii) Elsewhere*
1972	47	—

The MINISTER OF AGRICULTURE AND FISHERIES:

332. Mr. J. W. E. WILEY asked the Minister of Agriculture and Fisheries:

(a) How many licences for bait-net fishing (i) in False Bay and (ii) elsewhere were issued in each of the latest specified ten years for which figures are available and (b) on what terms were such licences issued?

332. Mr. J. W. E. WILEY asked the Minister of Agriculture and Fisheries:
Howard *Col. 421-422*
17/3/82

③ Wheat prices 17/3/82
 Hansard Q. 61-418-420
 322. Mr. G. S. BARTLETT asked the
 Minister of Agriculture and Fisheries:

What was the average annual price paid
 (a) for wheat imported by the Wheat
 Board, (b) for wheat purchased by millers
 and (c) to wheat farmers for wheat pur-
 chased from them, for each of the latest
 specified five years for which figures are
 available?

The MINISTER OF AGRICULTURE
 AND FISHERIES:

419

WEDNESDAY, 17 MARCH 1982

420

	(a) R/ton	(b) R/ton (y)	(c) R/ton (y)
1976-'77	*	123,30	120,18
1977-'78	*	123,97	120,34
1978-'79	*	141,24	134,78
1979-'80	*	186,78	182,91
1980-'81	205,00	217,13	212,85

* No wheat imported
 y Grade 1-wheat

Y

SECTION C



UNIVERSITY OF CAPE TOWN

EVERY CANDIDATE MUST enter in number of each question in the order in which it has been set out; leave columns (2) and (3) blank.

MAGUS 31/3/82 30 what 444

Bread to cost feeding scheme R45 000 more

All answers to be written in the order in which they are set out in the examination book(s). The number of the question is written in the margin of the examination book(s). The number of the question is written in the margin of the examination book(s).

Surname: _____
 First Name: _____
 Date: _____
 Degree you are taking: _____
 Subject: _____
 Paper Number: _____

THE yearly bread bill of the Peninsula School Feeding Association (PFSA) will rise by R45 000 when the new subsidy system announced in the national Budget is implemented.

Mr Norman Freeman, organising secretary of the PFSA said the association bought 5 000 loaves of brown bread on each of the 200 school days a year.

'An increase of 4,5 cents a loaf would therefore mean that our bread bill would rise by R45 000 a year,' Mr Freeman said.

The PSFA, which operates entirely on gifts from the public and the private sector, has been threatened with closure in recent years because of rocketing food prices.

Describing the impending increase as 'horrifying', Mr Freeman said the

Government was suffering from a 'let-them-eat-cake' syndrome.

CRIME

'When basic foodstuffs, such as bread, are too expensive for poor people, their health is affected and this leads to crime and subversion.

'An increase in the price of bread will also represent a further drop in living standards,' Mr Freeman said.

He supported the call by Mr Raymond Ackerman for the Minister of Finance, Mr Owen Horwood, to meet businessmen to discuss the expected October increase.

FINANCIAL

Mr Ackerman, chairman of Pick 'n Pay, yesterday explained that his promise of aid to the Government would take a financial form and would not merely be suggestions.

He said he had put the request for a meeting with the Minister in writing and was expecting a reply soon.

'I have received encouraging support from the public for taking this initiative. Most people feel that the Government must find other ways of raising money,' Mr Ackerman said.

'RETROGRESSIVE'

At least one other retailer, Mr Gordon Utian, managing director of Checkers, has come out in support of Mr Ackerman. In a Press release he described the new subsidy system as a 'retrogressive step.'

He said the situation in South Africa demanded that some aid be given to the lower fixed income buyer.

Internal	External
(2)	(3)
3	13 1/2
1	6
8	8

NOTE CAREFULLY

1. Enter at the top of each page and in column (1) of the block on this cover the number of the question you are answering.
2. Blue or black ink must be used for written answers. The use of a ball point pen is acceptable. Red or green ink may be used only for underlining, emphasis or for diagrams, for which pencil may also be used.
3. Names must be printed on each separate sheet (e.g. graph paper) where sheets additional to examination book(s) are used.
4. Do not write in the left hand margin.

WARNING

1. No books, notes, pieces of paper or other material may be brought into the examination room unless candidates are so instructed.
2. Candidates are not to communicate with other candidates or with any person except the invigilator.
3. No part of an answer book is to be torn out.
4. All answer books must be handed to the commissioner or to an invigilator before leaving the examination.

Any dishonesty will render the candidate liable to disqualification and to possible exclusion from the University

Uproar over Wheat Board building plan

By MAURITZ MOOLMAN

THE Wheat Board is building a R10-million administrative building in Pretoria which has three times more space than the board needs.

This was disclosed yesterday by Mr Harry Schwarz, Progressive Federal Party spokesman on finance, who described the expenditure as a "shocking wastage of public money".

And the parliamentary select committee on public accounts, of which Mr Schwarz is a member, criticised the Wheat Board in a report tabled in Parliament on Monday.

The building is being erected on the corner of Proes and Hamilton Streets in Pretoria.

Six storeys high with two parking basements, a laboratory and a mill, the Wheat Board headquarters will have 20 000m² of floor space, 15 000m² more than the board needs.

At present the Wheat Board owns only 4 400sq m of floor space in Church Street.

Mr Schwarz said he told the Wheat Board he was shocked, and the public would be shocked to hear these facts.

The Wheat Board told him that they planned to fill the space by expanding as consumers increase.

At the same time building costs increased from an estimated R5 100 000 in 1974 to R10-million when finished later this year.

Building was delayed when the plans were drawn up in 1974 in an "anti-inflationary campaign" but when it was approved in 1979, costs had escalated to R6 800 000.

The board admitted they would have tried something else had they known in 1974 that building costs eventually would come to R10-million.

Mr Schwarz also criticised the Wheat Board in the way it

handled the selling of its present building.

"They offered the building in 1974 to the Pretoria City Council for R1 070 000 which the council refused.

"In 1978 the City Council offered to buy it for the same amount but this time the board refused.

"They plan to let the office space, which is not their business," Mr Schwarz said.

Mr Dennis Van Aarde, the manager of the Wheat Board, said the Wheat Board originally planned a seven storey building.

Special attention had to be given to the architectural appearance as the building was being erected in a specially rezoned residential area.

"I can give the assurance that we will not go in for filling available space with personnel but we have planned for the next forty years".

Empire-building: the Wheat Board replies

(3) Wheat (2) Control Boards

I REFER to your leader of yesterday and suggest you publish the following to correct the distorted picture created among your readers regarding the Wheat Board:

In the last paragraph you refer to "shameless empire building" while there is a shortage of storage facilities for wheat.

This statement not only reflects your total ignorance regarding the control system which you so enthusiastically attack but also the erection of bulk storage facilities. Government loan funds, which are allocated and administered by the Grain Silo Committee and Landbank respectively, are made available to agricultural cooperatives for the erection of bulk storage facilities.

It is, therefore, not the responsibility nor the function of the Wheat Board to provide funds or facilities for the storage of grain. In comparing the current season's record wheat crop of 2 200 000 tons with the available 13-million tons of bulk storage facilities, I must reject your statement that there is a shortage of storage facilities for wheat.

If the Wheat Board's registration policy is responsible for the creation of monopolies in the milling and baking industries in South Africa, then why has the same tendency manifested itself in the UK, the US and other overseas countries?

Is the Wheat Board also

responsible for this tendency in the non-controlled industries such as the barley malting and brewing industries, the explosives industry, the brick industry and many others? Do you regard the baking industry in South Africa to be monopolistic when there are seven large groups with an 88% share of the market and the balance in the hands of more than 130 privately-owned bakeries?

In the past your paper has held the Wheat Board responsible for poor quality bread supplied by the industry, yet when the board provides the necessary facilities to improve and monitor wheat, flour and bread quality, you maintain that quality control should in fact be the responsibility of the industry itself.

The board's technical services section has for many years been involved in the constant testing and quality evaluation of bread, flour, wheat and the release of new cultivars. If the Wheat Board does not undertake this very important task who must do it?

Your inference with regard to what a marketing board does to free enterprise is not applicable to the industries under control of the Wheat Board. Would private enterprise be content with a 15% return on capital investment before tax? This is the margin allowed to the milling and baking industries since 1974.

With regard to your derogatory remarks on agricul-

tural marketing boards, I challenge you to name but one country in the world where its wheat industry operates strictly in accordance with the supply and demand principle of a free market system without any government interference, that is free enterprise by definition.

A few facts regarding the erection of a new Wheat Board building are appropriate:

1. The board was compelled to erect a new building as the City Council of Pretoria informed the board it intended expropriating the present property for a ringroad complex.

2. The erection of the new building was originally delayed at the request of the Government as part of the anti-inflation campaign.

3. To comply with Pretoria City Council regulations a minimum number of parking bays had to be provided for on the premises and all services had to be housed inside the building. As a result of this two basement floors and a service floor had to be erected.

4. One floor of the building comprises a quality testing laboratory for small grains. In the present building part of this complex is housed in outbuildings. This explains the apparent excessive larger area of the new building as compared with the existing building. — D F VAN AARDE, General Manager, Wheat Board, Pretoria.

Bloom defends Wheat Board

(3) wheat
(3) Cost of bread
12/5/82

YOUR editorial on the Wheat Board (RDM, May 5) does that body a grave injustice.

In its almost 40 years of existence the Wheat Board has done an outstanding job of balancing the interests of the consumer and the producer, and assisting in the development of a sophisticated and cost efficient milling industry by world standards.

For example, in the field of wheat production, the Board has played an important role in the research and development of new and high yielding varieties. They have acted as an essential consultative body for farmers to whom encouragement has been given to produce wheat.

Apart from the exceptional years in which climatic conditions have been unfavourable, South Africa is now in the fortunate position of being largely self-sufficient in wheat supplies. This was certainly not the case some years ago when large quantities had to be imported.

The advantage of being self-sufficient in this basic staple commodity, in an increasingly hungry world, is self-evident — and the alternative of having to approach a largely hostile international community for supplies, is clearly strategically unacceptable.

The consumer is represented on the board and without Government regulation and intervention (which your editorial criticised) would be far worse off.

Government intervention is responsible for the present subsidy of approximately R160-million a year — an intervention directly to the consumers' benefit.

And Government regulation is responsible for pegging the return on capital earned by the milling and baking industries at an obviously inadequate 15% a year on their historical capital.

In the totally free market which your editorial advocates, both these factors (the subsidy and the artificially low margins) would not be present, and in my opinion, the price of bread would have to rise substantially.

Finally, allegations of monopoly in the milling and baking industries are simply emotional nonsense — participants in the milling industry include, in addition to my own group, Tiger Oats, Fedfood, Anglovaal, Sasko and Bokomo. All of these are large, financially powerful and aggressive concerns — a more competitive environment is hard to imagine.

Unfortunately the artificially low margin on standard bread has tended to reduce the numbers of people producing this type of bread.

In the baking industry generally, however, there are literally hundreds of small bakeries and confectioners who produce a wide range of goods and services for the public.

True, the big plant bakeries tend to be dominated by the large corporations, but when one bears in mind that the cost of erecting such a bakery in Johannesburg today would not be less than R7-million, it is not surprising that individuals do not enter the industry. The blame for this can hardly be laid at the feet of the Wheat Board.

While my group has often disagreed vehemently with some of the policies of the Wheat Board, we have always accepted that they act *bona fide* in the interests of all concerned.

Their officials are courteous, prepared to listen to alternative viewpoints, and their conduct is characterised by the highest integrity. I believe that your editorial was very unfair. — TONY BLOOM, Chairman, The Premier Group Limited, Johannesburg.

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housing

sition where they could afford houses. This involved education, training, community work and a drive to limit the birth-rate, he said.

● Municipalities would build housing if they were allocated the funds, Mr Yeld said. Two groups had to be given priority — the aged and the sub-economic group.

● The government's problem was money and 600 local authorities were looking for money for housing, Mr Karsen said. Most of this year's R300-million would go on projects already under way, such as Mitchells Plain.

He asked whether the time had not come to look at the earnings of a whole family and not just the breadwinner in assessing subsidies.

● Self-help schemes did not always work because not everyone could build houses, Mr Evenwell of Besterecta said. The government should rethink its priorities. For the price of new aircraft obtained by South African Airways 280 000 people could be housed and thousands of jobs created.

The problem was distribution of funds, not a shortage of funds.

rm is only m measure'

as there is progress, change in the form of direct representation will come."

But Mr Arthur Stanley, chairman of the Athlone management committee, said the constitutional proposals did not satisfy black demands.

"We want direct representation. The only thing acceptable to us is if they make us full councillors with equal status," he said.

The leader of the Labour Party, the Rev Alan Hendrickse, was again not available for comment yesterday. He is believed to have travelled back home to Uitenhage yesterday afternoon after talks with the Prime Minister in Cape Town.

The former leader of the Freedom Party (formerly Federal Party), Dr Willie Bergins, said he had not yet studied the report.

Representatives of several community or-

Cut in bread subsidy 'madness'

Staff Reporters

MONEY was spent by the government for the sake of ideology, while the people might well starve, Mr G Everingham, MPC, said during the no confidence debate in the Provincial Council yesterday.

He was commenting on the R49-million cut in the bread subsidy announced in the budget earlier this year.

In a country with an enormous gap between rich and poor, where malnutrition was rife and millions were living close to the poverty datum line, the government claimed that an increase in bread prices was necessary because they had "rationalized" the subsidy, said Mr Everingham. This was not rationalization — it was madness.

It was also ironic that in the same budget, there was a R6-million concession on excise duties on wine, he said.

"Marie Antoinette encouraged the people to eat cake when there was no bread; the Honourable Minister of Finance appears to encourage the consumption of alcohol as a substitute," he said.

Opening the no-confidence debate, Mr Herbert Hirsch, MPC for Sea Point and leader of the Opposition, said the National Party's obsession with secrecy may yet be its downfall.

More and more laws were being introduced, hampering the free flow of information. It seemed "the less disclosed the better" was an axiom of the NP, Mr Hirsch said.

Moreover, publication of terrorist incidents, detention under security legislation and even



The Prime Minister, Mr P W Botha, and his wife, Elize, display their scrolls after receiving the honorary freedom of Caledon from the Mayor, Dr P A Botha, left, at a special council meeting yesterday morning.

West coming to its senses on SA — PW

Staff Reporter

THE Western world was coming to its senses and seemed to realize that without the sea route round the southern tip of Africa, South Africa's modern harbours, strategic minerals and sophisticated transport system, their safety was in danger, the Prime Minister, Mr P W Botha, said in Caledon yesterday.

Mr Botha and his wife, Mrs Elize Botha, both received the freedom of the town and attended a municipal banquet in their honour.

Mr Botha called on South Africans to increase their productivity and said South Africa had a major role to play in the future of the Western world which "seems to have rediscovered us in the same way they did during the period after 1652".

Yesterday morning

CAPE TIMES 22c
From page 1 14/5/82

"As it stands now we have recommendations for an executive president without clarity as to checks and balances that would affect the exercise of his powers.

"It is difficult to believe that any sane person would voluntarily abdicate the already inadequate constitutional situation for one in which an individual can exercise almost dictatorial powers."

The underlying philosophy of the proposals indicated that for the foreseeable future no-

local school children waving national flags braved an icy wind as they waited to welcome the Prime Minister and his wife who arrived shortly before 11am, preceded by drum majorettes and the cadet band of the Overberg High School.

The honour was conferred during a special council meeting in the Town Hall by the Mayor of Caledon, Dr P A Botha.

This was in recognition of Mr and Mrs Botha's "surpassing and selfless service to South Africa and their dynamic leadership and unflinching endeavours for peace, happiness and prosperity for all people in southern Africa".

He said the decision to confer the honour had been made to strengthen the bond between the town and Mr Botha who began his political career there 45 years ago when he started as a 20-year-old National Party organizer.

disappointing". In effect it leaves the most obnoxious aspects of the Group Areas Act intact whilst recommending that the Group Areas Boards should be broadened to include members of other race groups in deciding on the administration of the Act.

"One cannot escape the conclusion that this is a rather cynical suggestion, as the Group Areas Act is regarded by the coloureds and Asians as one of the most hurtful and discriminatory pieces of legislation which has been enacted against these com-

from all over the world carve new frontiers loving

- 8.00. Nuus
- 8.28. Weer
- 8.37. Dis My Geheim Ca Alewyn Lee tv to + sented by Cobus van Staden
- 9.06. Misdaad: Slagoffer E rested for the murder in custody a second found, as in Usch next to her head. Things become m Commissioner Se murderers
- 10.37. 'n Bietjie Musiek A
- 10.50. Die Tierbrigade: Die century the entire F is put behind bars most dangerous at sense the police for He calls himself Die Tierbrigade s
- 11.47. Nuus
- 11.57. Oordenking. The R

6.30. Abelusi Basofwandi his crew investigat three Pacific island

7.00. Izindaba/Indaba (M)

7.10. Ulokhuza Nontso: Ulokhuza and Non neighbour's brewer yana Sidumo and mut Sydow Featur K D Mofokeng

7.40. Ezemidlalo (Sport)

8.00. Mmampodi No 5 gone up a division. he will have to fight Bloemfontein and Winston Gama, as Thabo, Hendrik M sie as Pulane, Kg Isaac Chabedi Moe as Thabo's mother and Michael de

8.30. Thuntsha Lerole

8.40. Metshameko/Dikgang

9.00. Ditaba/Dikgang (M)

9.25. Tsosa Mowa Wa Le Jang, Ya Mof Lebone and produ

Last n

TV 1

THE SABC has fulfilled the government's repeated promise to give a blast of publicity to President Council proposals.

For the second night running the new constitutional deal dominated news bulletin to the exclusion of just about everything except the F. lands war and granting of the freedom of Caledon to Mr and Mrs W Botha.

"Brood vir my Brood the new Afrikaans series was a popular radio programme a few years ago and judging from the TV episode it must have won a big following again.

It has all the ingredients to involve viewers even if the plot is unfolding rather slowly. The feuding families in small community — rich flashy Fouches — breed race horses and

Bread heads for 50 c or more

30 Mercury
Pretoria correspondent

Wheat Board meeting here will be a key factor in determining the extent of the expected big bread price rise from October 1.

Early indications are that the price of a white loaf will rise at least to, and probably above, 50 c a loaf.

This will be the last of the Government-authorised increases in basic foods.

The prices of others — such as dairy products, maize and other summer grains — have all been raised substantially this year.

Wheat

And the Government has firmly rejected appeals from the PFP and the trade unions to the Minister of Finance to eliminate GST on basic foods and to raise subsidies.

In fact the bread subsidy for the new wheat season has been drastically cut — one of the reasons why a big hike in the price of bread is seen as unavoidable.

Other reasons — and they will be discussed at next week's meeting of the Wheat Board — are the expected increase in the price of wheat and higher margins for millers and bakers.

The board will submit its crop price recommendations and its recommendations on millers' and bakers' profit margins to the National Marketing Council after the meeting.

Authorities in Pretoria said there was no reason to hope the Government would reject recommendations for a rise in the wheat price, because it had increased to all demands by primary producers for increased prices this year.

Currently the cost price of brown bread is 41,3 c a loaf with a subsidy of 13,3 c or 34 percent — a selling price of 30 c when GST is taken into account.

The actual cost of white bread is 45,3 c a loaf. The subsidy is 5,3 c or 12 percent, and the selling price is 42 c including GST.

In his Budget the Minister of Finance, Mr. Owen Horwood, announced the brown bread subsidy would be cut to 20 percent and the white bread subsidy to 5 percent.

Tucsa calls for halt to bread price rise

By GERALD REILLY
Pretoria Bureau

TRADE unionists called on the Government yesterday to use the additional R330-million from the GST increase — effective from today — to avoid a steep rise in the bread price from October 1.

The general secretary of the Trade Union Council of South Africa (Tucsa), Mr Arthur Grobbelaar, said although the Minister of Finance, Mr Owen Horwood, had made a vague reference to raising bread subsidies, what was needed was a clear commitment that basic goods would be cheapened.

Tucsa, Mr Grobbelaar said, had appealed repeatedly to the Minister over the past three years to abolish

GST on basic foods — but in vain.

Mr Grobbelaar, whose views were supported by other unionists, called for a rethink on the whole principle of the tax. It was a tax on the unemployed, he claimed, and the dangers of abuse were ever present.

"It has become too easy for the Minister, without parliamentary approval, to raise the tax to get himself out of difficulties, which his own policies might have caused," Mr Grobbelaar added.

Other sources said unless the Minister reversed his decision to cut the existing bread subsidies — brown bread from 34% to 20%, and white bread from 12% to 5% — bread prices would rise sharply from October 1.

Supermarkets have reported that consumers have been stocking up with basic commodities during the past few days to escape the full impact of the 20% GST increase. Record sales have been rung up at many of them.

From today the prices of petrol will rise by 0,6c/l to 65,2c, and the price of home delivered milk will go up by 1c/l to 57,5c. In cafes the price will rise to 66c/l.

Virtually all services and commodities will increase in price from today as GST goes up from 5 to 6%.

GST, according to the budget estimates, will net the Government R3 500-million this financial year — just under half the Government's total tax revenue.

Wire Gang 'tied children'

By SOPHIE TEMA

MEMBERS of the Wire Gang — one armed with a gun — gagged the four-year-old child of a well-known Soweto shebeen queen and demanded money when they raided her Diepkloof home last year, the Soweto Regional Court was told yesterday.

Miss Grace Gwala told magistrate Mr J J Muller that her son and other members of the family were tied with coathangers before the gang robbed her of R200 and goods worth more than R1 000 in December.

Miss Gwala was giving evidence in the trial of 14 alleged Wire Gang members who have pleaded not guilty to 32 counts of attempted murder, rape, robbery, illegal possession of firearms, theft and escaping from custody.

Accused are Mr Jack Mabaso, 33, Mr Koos Sibeko, 27, Mr Elliot Baloyi, 20, Mr Raxon Mathebula, 24, Mr Mack Ngubeni, 30, Mr Vusi Manana, 23, Mr Sydney Ratladi, 24, Mr Morris Macebele, 22, Mr Samuel Ngubayi, 22, Mr Vincent Ninigiza, 22, Mr Tuki Madala, 28, Mr Carlson Nangovhala, 21, Mr David Zwane, 22,

and Mr Freddy Machaba, 28.

Miss Gwala said she had been at home with friends when six men wearing balaclavas and armed with knives entered the house.

She said Mr Jack Mabaso, Mr Mack Ngubeni and Mr Samuel Ngubayi, were among the group. Mr Mabaso was holding a gun.

The gang used coathangers to tie people together in twos before going to the children's bedroom and tying the children.

Miss Gwala said, "After tying the children, they asked them where I kept the money."

"The children showed them my wardrobe and Mr Ngubeni took a screwdriver, broke the locks and took R200 from it."

Earlier, another woman told the court she had been raped by three members of the gang at a Central Western Jabavu house where she had been visiting.

She could not identify any of them because one was wearing a balaclava while the others covered her face with a blanket while raping her.

The trial continues tomorrow.

White man, black woman admit sex

Mail Reporter

A MIDDLE-aged white man and a young black woman admitted to a Johannesburg magistrate yesterday that they had sex even though they knew it was illegal.

Terrance John Pretorius,

49, of Cambridge Street, Kensington, Johannesburg, and Esther Catyeni, 21, of Zelta Street, Springfield, appeared before Mr A G du Plessis.

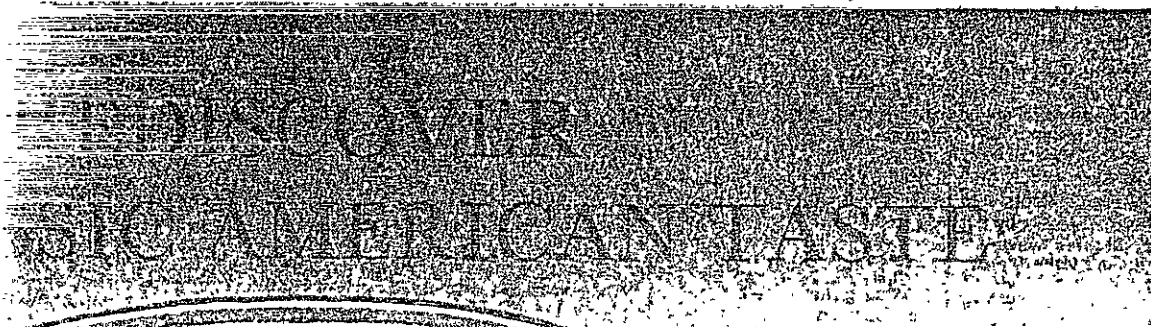
They said they committed the offence in Montagu Street, Kensington, on August 1 this year and both pleaded

guilty to a charge of contravening the Immorality Act.

They were found guilty and sentence will be passed on October 1.

Bail of R300 for Pretorius was extended. Catyeni was remanded in custody and bail was fixed at R100.

day in anticipation of the



③ Wheat D. Q. Hatch
**Increase in wheat
price expected**

8/9/82
PRETORIA — The Cabinet authorised an increase in the wheat price at yesterday's meeting here, it was reliably learnt last night.

An announcement is expected today from the Minister of Agriculture Mr Greyling Wentzel.

This is one of the three factors which will determine the extent of the bread price rise from October 1. It seems certain that the rise will be substantial.

The other two factors

are the expected higher margins for millers and bakers, and the big cut in the bread subsidy announced by the Minister of Finance, Mr Owen Horwood, in his budget earlier this year — white bread from 12 per cent to five per cent, and brown bread from 34 per cent to 20 per cent.

The wheat Board meets here today and the Minister of Agriculture is expected to make available details of millers' and bakers' increases. — DDC.

Govt to curb bread price hike

③ Wheat
Mercury
9/19/89

PRETORIA—The Government was considering an increase in bread subsidy to hold down an inevitable bread price increase from October 1, it was learned here yesterday.

The issue was being discussed at a high level but a decision may have to wait for the return of Minister of Finance Owen Horwood from the International Monetary Fund meeting in Toronto.

Although Mr Horwood had already announced he intended slashing the white bread subsidy from 12 percent to 5 percent and brown bread from 34 percent to 20 percent, it is understood more funds may now be made available to head off what would otherwise be a price rise of 10 c a loaf or even more.

Mercury Correspondent

When he announced the

general sales tax increase of 1 percent last month, Mr Horwood hinted at the possibility of bigger subsidies for essential foods.

So there was hope, according to Pretoria sources, that part of the increased revenue of R330 million would be diverted to minimise the bread price rise.

To prevent an increase in the bread price from the beginning of September, because of higher sales tax, Mr Horwood authorised a special short-term subsidy of nearly R1 000 000.

But a substantial bread price increase was forecast yesterday by the general manager of the Wheat Board, Dr D F van Aarde. 'Farmers, millers and bakers all need to offset production increases they have borne for some time,' Mr van Aarde said.

Any increase would have to include the higher wheat price and higher margins for the baking and milling industries, but would be reduced by whatever the minister decided to grant as a new subsidy.

Big rise in bread price on cards

3 wheat
~~2 wheat~~
C-Tinis
9/19/82

Own Correspondent
DURBAN. — A substantial rise in the price of bread was forecast yesterday by the general manager of the Wheat Board, Mr D F van Aarde.

He said the board was optimistic that a rise in wheat prices would be authorized and expected bread subsidies to be cut soon "unless the Finance Minister, Mr Owen Horwood, has changed his mind".

It followed that for either or both these reasons bread would cost more.

"Farmers, millers and bakers all need to offset the production increases they have borne for some time," Mr Van Aarde said.

He had been unable to get clarification over the

reduced subsidies, which he hoped would not be as drastic as he had been led to believe and which might be offset by the recent one percent rise in GST.

If, as he had heard, the subsidy scheme was to be chopped by about 25 percent, the bread price rise would of necessity be "quite steep".

The Opposition's spokesman on agriculture, Mr Errol Moorcroft, described any move resulting in basic foodstuff price rises as "serious".

He blamed the rises on the government policy of giving economic protection to industries considered of key importance, such as the fertilizer, fuel and farm machinery industries.

"It is of equal importance in terms of stability to the country to protect our less-privileged communities from increases to staple foods.

"Where is that extra R350 000 000 from the added GST going?"

● Pretoria sources said

the bread subsidy was being discussed at a high level but a decision might have to wait for the return of Mr Horwood, from the International Monetary Fund meeting in Toronto.

Mr Horwood's deputy, Mr E van der M Louw, declined to comment last night.

Although Mr Horwood announced earlier this year that he intended slashing the subsidy on white bread from 12 to five percent, and on brown bread from 34 to 20 percent, it is understood that more funds may now be made available to prevent a price rise of 10 cents a loaf or more.

When he announced the GST rise of one percent last month, Mr Horwood hinted at the possibility of bigger subsidies for essential foods.

So there is some hope, according to the Pretoria sources, that part of the increased revenue from the GST rise will be diverted to minimize the bread price rise.

3-10/62 4/9/62



**White loaf
to rise 10c;**

5c on brown

BERNARD

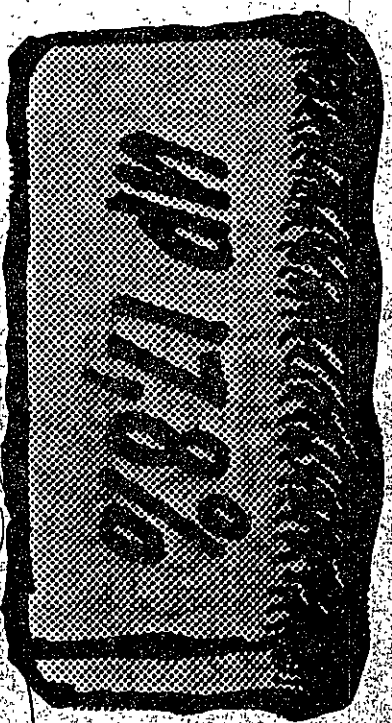
SHEEDS

WORLD
NEW

Volume

Areas 9/9/62

3/10/62



HEALTH

White bread up by 10c a loaf

Wheat 240 Star 9/9/82

By Hannes Ferguson
and Colleen Ryan

The price of a loaf of white bread will rise to 53 cents from October 1, and brown to 35c, the Minister of Agriculture, Mr Greyling Wentzel, announced in Pretoria today.

The basic price of a white loaf will increase from 40c to 50c, plus 3c general sales tax and brown will increase from 28c to 33c, plus 2c GST.

This is a 25 percent increase for white, and a 17,8 percent increase for brown bread.

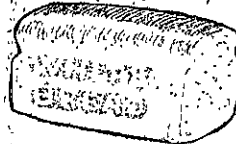
Consumer and Opposition spokesman described the hefty increase as shocking and outrageous.

The agricultural spokesman for the Progressive Federal Party, Mr Errol Moorcroft, said the increase made the Government's earlier promises of a more stable bread price ring hollow.

Retailers also expressed indignation.

Miss Peta Lomber, spokeswoman for Checkers, said: "It is shocking and despicable that the food system is so inadequately managed that the most basic of foodstuffs can be increased by such a large amount."

The increase is substantially above the inflation rate of 14,1



WHITE

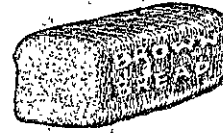
1976 — 16c to 20c

1978 — 20c to 25c

1980 — 25c to 30c

1981 — 30c to 40c

1982 — 40c to 50c



BROWN

13c to 16c

16c to 20c

20c to 28c

28c to 33c

percent for the past year. In the second quarter of this year inflation fell to 9,2 percent.

Mr Greyling said the bread subsidy has been increased from R160 million last year to R191 million.

Last month the Minister of Finance, Mr Owen Horwood, promised to make additional funds available for the bread subsidy because of the one-percent increase in GST.

The wheat price has been increased by 13,9 percent — from R241,40 a ton to R275. Mr Greyling said wheat production costs had soared by as much as R57 a ton — 23,6 percent.

Hefty increases in the margins of millers and bakers had contributed to the problems the Government faced

in determining the new bread price, he said.

Mrs Joy Hurwitz, national president of the Housewives League, said the wheat price increase was excessive.

"The increase in the bread price will fuel inflation and is a further burden to beleaguered consumers," she said.

Although we appreciate that additional subsidy funds for bread have been made available by the Government, there is still a R43 million shortfall which has been covered by the increase."

White bread has increased by more than 200 percent since 1976.

In 1976 white bread went up from 16c to 20c; in 1978 from 20c to 25c; in 1980 from 25c to 30c; in 1981 from 30c to 40c; and in 1982 from 40c to 50c. These prices exclude GST.

Brown bread price 6c up

3 Wheat 10/9/82

By GORDON KLING

IN A 20.7 percent rise to 35c a loaf including GST, brown bread is to jump in price by 6c a loaf from October 1 — not 5c as initially implied yesterday in an announcement by the Minister of Agriculture, Mr Greyling Wentzel.

The increase, which will take white bread up by 26.2 percent to 53c a loaf, comes in spite of a relaxation in the government's tight food-subsidy policy.

Amid widespread protests and a pledge of R1-million by one retail chain towards a pool to halt the rise, the chief of Public Finance Mr G P Croeser, disclosed yesterday that it would have been necessary to almost double the rise in the price of brown bread if the subsidy announced in this year's national Bud-

get had been applied. Instead, an additional subsidy of R33-million for the rest of the financial year ending in February had been applied to brown bread.

Part of the recent increase in GST is to be used to fund the extra subsidy, in an apparent softening of the government's resolve to reduce subsidization.

It is understood that money generated by the GST rise will also be used to subsidize other staple foods, including maize, which should gain about R10-million.

However, the chief opposition spokesman on finance, Mr Harry Schwarz, noted that the extra bread subsidy came to only about 10 percent of the extra money Mr Horwood would gain this financial year from the 20 percent rise in GST to 6 percent.

'Defect'

Mr Schwarz said, "I believe that in fact one of the major reasons for the increase in GST has been for the consumer to subsidize the farmer. What the consumer is getting back here is only a small proportion of what is being raised in GST."

A major defect existed

in the government's agricultural planning in that surplus maize exported at a loss was being grown on land which could have been used for badly-needed wheat.

"In the lower income

groups the increase to 10 percent will come as a very harsh blow at a time when increases in salaries and wages are not keeping up with inflation, which means standards of living are dropping," Mr Schwarz said.

Confusion

Meanwhile, confusion reigned at shops and supermarket chain accounting offices after the initial announcement of a 5c rise in the price of brown bread by Mr Wentzel.

The 5c rise was arrived at by comparing the old 28c price — not including GST — with the new price of 33c not including GST. But the price consumers will have to pay from October 1 has been set at 35c compared with the present 29c when GST is taken into account.

Yesterday bakeries confirmed that they had reduced the wholesale price of brown bread by 1c for September only, after its exemption by Mr Horwood from what would have been a 1c rise with the increase in GST at the beginning of this month.

Brown bread had accordingly remained at 29c a loaf after tax and retailers charging more should

be reported to the price controller, a spokesman for a major bakery in the City said.

The spokesman maintained that retailers had been advised of the drop in the wholesale price but shopkeepers claimed yesterday that they had been totally unaware of this and had consequently been breaking the law by charging 30c since the beginning of the month.

Working on the incorrect rise of 5c a brown loaf the director of the Consumer Council Mr Jan Cronje, arrived at a price rise of 17.8 percent instead of the actual 20.7 percent.

Fund

But his statement described even the lower figure as showing that once again the consumer had to bear the brunt of continued price increases higher than the rate of inflation.

The chairman of Pick & Pay, Mr Raymond Ackerman, said he was appalled at the extent of the rise and pledged to put a "seven-figure" amount of money into a fund intended to prevent



Making the best of his loaf of bread at the present selling price is Theodore Hartsenbergh of Facteron. From October 1 brown bread will cost 35c a loaf and white bread 53c.

**** B To page 2

Pick & Pay

FISH SHOP
LARGE FRESH WHOLE

in med

For more than R600 in his office of a Bell-

... and ... bread if thus more than double the percentage envisaged in the budget," Mr Greyling said.

suspended for five years. Wilson Santos, of Monterey Road, pleaded guilty to a charge of criminal injuria. He told the court he was walking across a soccer field in Green Point when he saw the hockey team playing on an adjacent field. "I just did it," he said, holding his face in his hands. Asked by the magis-

containing the money has been in safe custody at the Bellville branch of Clicks — but no-one has claimed it. Among the notes in the bag were 23 R20 notes, 15 R10 notes and eight R2 notes. Some of the notes had consecutive numbers giving rise to the belief that they might have been drawn from a bank shortly before. Police said yesterday they had found documents inside the bag after it was handed to them for investigation on June 10, but this did not help trace the owner. Lieutenant G van Rooyen, a police liaison officer, said he would not release details of the documents or the bag to protect the money from fortune hunters. Police said it was possible the owner might have

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Lower paid to be hardest hit

Consumers reel under bread blow

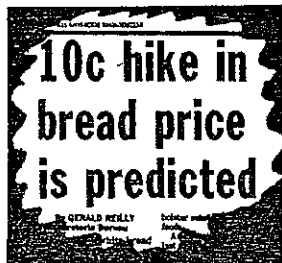
10/9/82 ROK

③ Wheat

By GERALD REILLY and MAURITZ MOOLMAN
THE staggering increase of 10c for a loaf of white bread and 5c a loaf for brown has shocked consumers throughout the country.

The increases come into effect from October one.

Announcing the increases at a Press conference in Pretoria yesterday, the Minister of Agriculture, Mr Greyling Wentzel, said white bread would rise by 25% and brown bread by 17,8%.



How the Mail predicted the bread price rise yesterday.

White bread would be increased by 10c to 50c and with general sales tax added to 53c. Brown bread will rise by five cents to 33c and with two cents GST to 35c.

The current price of white bread is 42c and that of brown 29c, including GST.

Economists and labour leaders said the lower income groups would be hardest hit by the price increases. For some, including more than 1 000 000 unemployed blacks, bread was becoming a luxury.

They warned, too, that the price hikes would add significantly to the country's inflation problem.

The Minister's announcement also meant the Government had yielded to demands for price hikes in all basic food products this year.

The bread subsidy has been raised by R32-million to a total of R191-million.

Mr Wentzel said at yesterday's Press conference that the Cabinet had approved a 13,9% increase in the wheat price, although more had been asked for by the Wheat Board.

He said it would have cost a total subsidy of R234-million to have kept the bread price stable, taking into account the higher wheat price and bigger margins for millers and bakers.

The stringent financial climate and a sagging economy dictated that no more than an additional R32-million could be made available.

He said the Government had tried to keep the price at as low a level as possible because more than 70% of bread consumed was brown or whole wheat.

The subsidy on brown bread would be 13,8c a loaf from October 1, or 41,8% of the retail price before GST. The white bread subsidy would be 1,5c a loaf, or 3% of the retail price before GST.

Mr Wentzel said the Minister of Finance had, when announcing the 1% increase in GST from September 1, indicated that a further subsidy on bread and other basic foods was being considered.

Asked whether the Government had totally rejected the removal of GST from basic foods, Mr Wentzel said the complicated administration and costs made this impossible.

He also said to have lowered the price of brown bread to 34c to simplify the sale of a half loaf would have cost an additional R5-million to R12-million. This the Government could not afford.

He conceded that the 17½c half loaf would create problems for cafe owners as the half cent had gone out of circulation. Solutions were being looked at, he said.

Cafe owners said yesterday that if they sold half a loaf at 17c they would lose and if they sold it at 18 cents they would be prosecuted.

However, a source in the Department of Agriculture, said yesterday it was expected that the price of half loaves of brown bread would be fixed at 17c plus 1c GST when the bread price is finalised at the end of this month.

Cafe owners have refused to sell half loaves because they could not sell it at 14½c.

But, according to the Department of Agriculture source, cafe owners will be allowed to sell half loaves at 18c, scoring a ½c on each half loaf.

Meanwhile, GORDON KLING reports that the chairman of Pick 'n Pay, Mr Raymond Ackerman, said he was appalled at the extent of the rise and pledged to put a "seven figure" amount of money into a fund intended to prevent implementation of the increase.

"We call on other retailers and milling companies to do the same," he said.

● Man in the Street's view — Page 5

35c charged for brown

Mail Reporter

ANOTHER shopowner is risking a R2 000 fine by overcharging for bread.

Last week the Mail investigated cafes which were overcharging for half loaves. And yesterday, after several complaints from members of the public, the Mail went to a cafe in Dunsward Avenue, Boksburg — and found the owner selling a loaf of brown bread at 35c and a half-loaf at 20c.

The owner said he had just bought the shop and could not understand why his staff were overcharging.

3 wheat 11/9/82
SA loaves still the cheapest in the West

By GERALD REILLY

THE Minister of Agriculture, Mr Greyling Wentzel, claimed yesterday that South Africa still has the cheapest bread in the West, in spite of the big price increases from October 1 — and he is right. According to figures released by the Wheat Board in Pretoria yesterday, South Africa's bread is cheaper than in other developed countries.

The price of a 900g loaf in Berne, based on late 1981 figures, was R1,64, in Bonn 94c

in Brussels 91c, in Beunos Aires R1,59, Copenhagen R1,36, London 95c, Mexico City 80c, Ottawa R1,09, Rome R1,35, Stockholm R2,57, the Hague 74c and Washington R1,46.

The higher bread prices come into force from October 1. White will rise to 53c and brown and wholewheat to 35c.

Had the subsidy not been raised by R32-million to R191-million, the 25% increase in white bread and

17,8% in brown would have been much higher. To have kept bread at current price levels would have cost R234-million.

In terms of the undertaking to consider bigger food subsidies given by the Minister of Finance, Mr Owen Horwood, when he announced the 1% rise in GST, R10-million has been added to the maize subsidy to prevent an increase of R2 a ton because of mounting storage costs.

An economist has pointed

out that South Africa, because of its large population of low-income earners, is one of the world's biggest bread eaters, and even with the steep price increases from October 1, consumption is expected to continue its steady rise, for with mealie meal, it is the staple diet of about 10% of the population.

During the 1981-82 financial year, according to Wheat Board figures, the country consumed 1 609-million loaves of bread.



MR J G WENTZEL
Minister of Agriculture

Adding fuel to inflation . . .

Mail Reporter

Consumers still reeling under the price increases in all Government-controlled basic foods — that of bread, the latest — may not have seen the last of 1982's price rises.

Another petrol price increases within the next four or five weeks is on the cards, according to motor industry sources.

A senior official of the Department of Mineral and Energy Affairs could not confirm the likelihood of a fuel increase in the near future.

"We are constantly looking at the price and the various factors affecting it. When the time is ripe we will make recommendations, to the Government," he said.

The sources said they had reason to believe the fuel price stabilisation fund was emptying and causing concern. Price adjustments would have to be made unless there was a spectacular improvement in the Rand-dollar rate, they said.

The Government pays for SA's crude oil in dollars and in the past 18 months the Rand has depreciated by 35% against the dollar. So SA is paying 35% more for its crude oil.

Sources also recalled a warning by the Minister of Mineral and Energy Affairs, Mr F W de Klerk, when he announced the 3c per litre increase in April — another rise was possible before the end of the year.

The first recipe of success in the Bread Bake-Off

Mail Reporter

FOR the seven members of the Thomas family of Kensington, the staggering increase in the bread price will have little effect.

The Thomas family have found the secret to a plentiful bread supply — they bake their own.

And three times a week the unmistakable aroma of freshly baked bread fills their house.

Dad, the Rev Clyde Thomas, does the baking — and loves it. "It is no trouble at all. I bake my usual white loaves on Mondays, Wednesdays and Fridays and I want to start baking brown bread as well," he said yesterday.

His wife, Beth, bakes a special wholewheat loaf at weekends.

"We find there is absolutely no waste with homemade bread — it gets eaten to the last crust," he said.

Mr Thomas's recipe entry for the Great Bread Bake-off competition is called "Super Instant Bread":

2kg white bread flour
810ml warm water
2 spoons of sugar
½ cup of cooking oil
2 teaspoons of salt
3 teaspoons of dry yeast

METHOD:

Dissolve yeast and sugar in a little warm water. Add remaining water and stir well.

Mix dry ingredients and oil. Fold in the yeast liquid.

Knead for a while and leave to rise for 75 minutes.

Knead again.
Divide mixture into three bread tins and leave for 75 minutes.

Put into cold oven set on 200° and bake for 50 minutes.

Reverend Thomas finds if the bread is placed in the cold oven it rises more.

Mrs Thomas's wholewheat bread recipe:
2 cups wholewheat flour

2 cups bread flour
1½ teasp bicarbonate of soda
1½ teasp salt
1½ teasp brown sugar
1 500ml carton plain yoghurt

METHOD:

Mix the dry ingredients, then mix in yoghurt very well.

Bake in a greased bread tin for an hour in a 350° oven.

● Mrs Thomas is in line for one of the prizes in the Mail's exciting Great Bread Bake-off competition.

The main prize, a Genius microwave oven, will make her baking easier than ever.

Its computer measures cooking time so it's impossible for anyone to have a flop and its electronic touch control makes it easy to use. It's big enough to cook a 10kg turkey and you'll get free cooking lessons and a recipe book.

1. No employees of SAAN or OK Bazaars, their immediate families or those in their employ, can enter the competition.

2. The Editor's decision is final, and no correspondence will be entered into.

3. All recipes must be printed, with your name, address and telephone number on each entry.

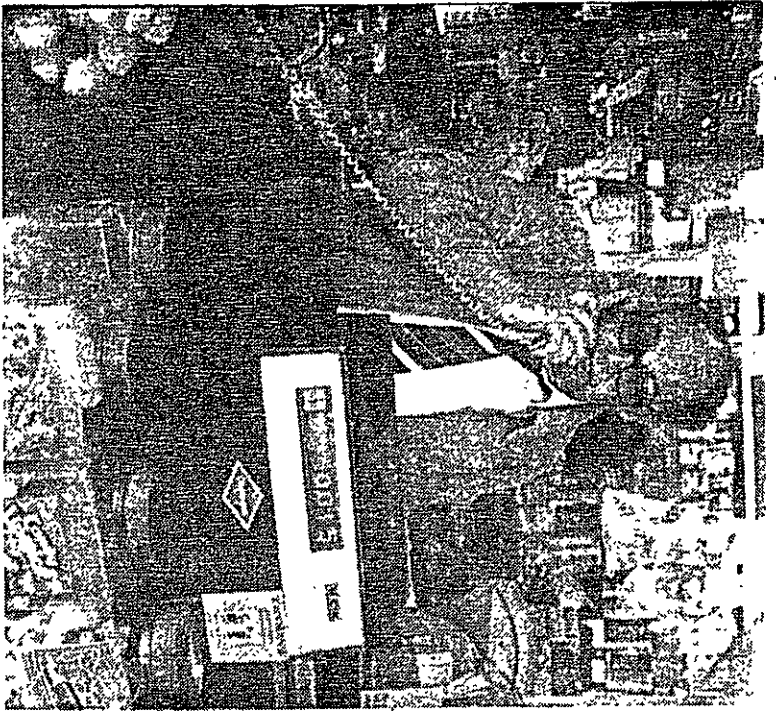
4. There is no restriction on the number of recipes that can be submitted.

5. The closing date is September 24, 1982, at 5pm.

6. Send your entries to: "The Mail's Great Bake-Off", c/o Promotions Department, PO Box 1138, Johannesburg, 2000. Or hand your entries in at SAAN Building, 171 Main Street, Johannesburg.

7. The 10 finalists, who will take part in the Great Bake-Off, will be announced in the Mail on Wednesday, September 29, 1982.

● The date of the Bake-Off will be announced next week.



Mall reporter Jane Streak questions a man at the Trafalgar Cafe, corner Commissioner and Hospital Roads, Germiston, after he had charged her 15c — ½c too much — for half a loaf of brown bread.



Picture: DAVID VAN GUR



An assistant at the Ace Cafe in Dunsward Avenue, Boksburg, pictured with the owner yesterday after ringing up 30c on the till — and overcharging by 1c for a loaf of brown bread.

Wheat
2004
11/9/92
And the great bread price rip-off continues

Mall Reporters

MANY consumers on the Reef are still being overcharged for both white and brown bread — in spite of warnings by the Wheat Board that cafe owners found guilty of this are liable to fines of at least R1 000

Yesterday the Rand Daily Mail surveyed cafes on the East Rand and in Soweto

On the East Rand, nine of 28 cafes — 32% — were contravening the bread price regulations. In Soweto, 25% of the shops surveyed were overcharging con-

sumers by at least 1c.

Most of the East Rand assistants claimed ignorance of the price of brown bread. Sowetan shop assistants gave various reasons for overcharging.

In spite of the fact that on Thursday a Mail reporter pointed out to the owner of the Ace Cafe, Dunsward Avenue, Boksburg, that his staff were selling a

loaf of brown bread illegally for 35c, bread is still being sold at the incorrect price.

Yesterday another Ace Cafe assistant sold a loaf of brown bread for 30c to a Mail photographer.

The owner, who has only recently bought the shop, said he had inherited the staff from the last owner and they

were charging the prices used by the previous owner. Since Thursday he had put up correct price lists for the staff and he did not know why they were still charging incorrect prices.

The assistant at the Wayside Cafe, Stanhope Road, Germiston, said that she had always charged 15c for half a loaf. She was also quite forthcoming

about the price she charged for a full loaf — 30c.

"Up the road they charge 17c for half a loaf."

One assistant at a Commissioner Street cafe in Germiston is also charging the incorrect price for brown bread, but she is undercharging — she charges 28c.

Only one cafe asked for 14½c and another refused to sell the reporter a half loaf unless she had the ½c piece.

The chairman of the Wheat Board, Mr. Dennis van Aarde, said though the board sympathised with retailers on the ruling of half a loaf of brown, they would have to take action against cafe owners if they received complaints from the public.

He said the only solution for cafe owners now would be to refuse to sell half loaves.

**THIS BREAD
PLAN COULD
HELP BUT**

Wheat
S. Express
12/9/82

Food giants snap their wallets on a subsidy

By CHARLENE BELTRAMO

FOUR food giants with a combined annual turnover of nearly R5 000-million are resisting making a contribution of R1-million each toward a fund that could prevent the bread price being raised 10c a loaf on October 1.

The scheme is the brain-child of Mr Raymond Ackerman, chairman of Pick 'n Pay, who has already pledged R1-million toward such a fund.

Mr Ackerman said if the Government donated R30-million — making a total of R35-million with the company contributions — and added this to the R190-million bread subsidy, the price would remain at present levels.

The day after the bread price increase was announced, Mr Ackerman cabled Checkers, the OK Bazaars, Premier Milling and Tiger Oats, asking them to join him in pledging R1-million each toward the bread subsidy.

"I then intend taking the pledges to the Minister of Finance, Mr Owen Horwood, and will ask him to channel R30-million of the extra R600-million the Government will get from last week's 1% GST increase to the bread subsidy."

But when the Sunday Express contacted the Big Four Mr Ackerman cabled, the response was far from enthusiastic.

OK Bazaars' managing director Mr Meyer Kahn said he thought the bread price increase was "very sad". But when told of Mr Ackerman's scheme he laughed and said he thought it ridiculous. "But in fairness I would like the details," he said.

"If anyone has the type of influence to get Mr Horwood to give R30-million then why doesn't he ask for the whole amount?"

OK Bazaars' turnover last year was R1 061-million, of which R590-million was from food sales. Pick 'n Pay, by contrast, had the lowest turnover of the five companies last year with R744-million passing through their supermarket tills.

A director of Tiger Oats, who did not want to be named, asked where Mr Ackerman thought they would get the money.

Tiger Oats, the biggest food corporation in South Africa, had a turnover of R1 399-million last year.

Mr Gordon Utian, managing director of Checkers, said bread subsidisation was the responsibility of the Government and not the private sector.

He believed Mr Ackerman was staging a publicity stunt.

Checkers is part of the Greatermans group which had a group turnover of R1 003-million last year.

A spokesman for Premier Milling, which had a turnover of R1 204-million last year, said the company could not comment on the issue until the matter had been fully explored.

Mr Ackerman said: "When GST was increased the Minister said more money would go to food subsidies but the extent of the increase has negated this."

"I hope to see the four companies I cabled next week to persuade them to contribute toward this symbolic pool," said Mr Ackerman.

"I want to be able to go to Mr Horwood and say the private sector has put down R5-million of hard-earned money to help South Africa."

By RAYMOND HILL

THE Wheat Board, in Pretoria, has appealed to the Government to avoid half-cents in the new bread price structure.

The general manager of the board, Mr A A Liebenberg, said today he was aware of the problems created by the shortage of half-cents, which sometimes resulted in consumers having to pay more than necessary.

He said the board was aware there was a half-cent shortage.

"The board is busy making representations to the Government to avoid half-

No 1/2 c in bread price, requests Wheat Board

③ wheat (244) E. Post. 13/9/82

cents in the new bread price. We are waiting to hear what the position will be before the increase comes into force on October 1," he said.

A loaf of white bread will then go up by 10c and brown bread will go up by 5c.

Consumers in Port Elizabeth have complained about having to pay 15c for a half-loaf of brown bread,

instead of the correct retail price of 14 1/2c.

Some Port Elizabeth shopkeepers charged 14 cents for an unsliced half-loaf.

Mr Liebenberg said shopkeepers who overcharged by a half-cent were contravening the Bread Price Control Act and could be prosecuted.

Customers, he said, were entitled to report such inci-

dents to the authorities.

White and brown half-loaves, of the "ready made" variety, are available in Port Elizabeth, according to a spokesman for a large bakery.

Un sliced bread is also sold to shops and cafes on a wholesale basis.

The loaves are sliced by shopkeepers, who may divide and sell it in halves at the controlled price.

Shopkeepers warned over bread prices

Wheat *Sowetan* *14/9/82*

SHOPKEEPERS overcharging on the price of bread run the risk of being prosecuted, the Wheat Board warned yesterday.

A spokesman for the board said there was confusion among shopkeepers as to what the correct price of bread was. He said the board would launch investigations as soon as it received complaints from consumers.

"We warn shopkeepers that we will take the matter up with the police, who will prosecute all those overcharging. Consumers should lodge complaints with the board and supply us with the names of the shops involved," the spokesman said.

This warning follows numerous telephone

By LEN MASEKO

calls at The SOWETAN from angry consumers, complaining that they were being ripped-off by shopkeepers who overcharge them for brown and white bread. One shop in Meadowlands sold bread at 10 cents more than the normal price.

According to the Wheat Board, the basic price of a loaf of brown bread was 27 cents, with two cents General Sales Tax. The controlled price of a loaf of white bread is 42 cents, including the GST.

The price of bread will be going up by 10 cents from October 1.

Meanwhile, the Soweto Chamber of Com-

merce and Industry is to hold a meeting on Sunday to discuss, among other things, the overcharging of bread by some shopkeepers in the townships.

Mr Veli Kraai, chairman of the SCCI, said: "We will try to impress upon shopkeepers to sell bread at the correct price. Most shopkeepers have agreed to sell half a loaf of brown bread at 14 cents, instead of 14½ cents."

5. In the light of the 1979 amendments to the Industrial Conciliation Act, could you please indicate for extensions in scope. I

Federation of Salaried Staff Associations of South Africa	
Pulp and Paper Industry's Joint Committee	
Rand Water Board Unions Joint Committee	
South African Council of Mining Unions	
South African Federation of Leather Trade Unions	
South African Council of Transport Workers	
South African Federation of Chemical and Allied Workers Union	

4. AFFILIATIONS TO INDUSTRIAL FEDERATIONS CONTINUED:

4/19/82
3 wheat c. Times

Horwood: GST to stay on bread

Staff Reporter

CUTTING out GST on ordinary brown or white bread would complicate and increase the cost of administering the tax, the Minister of Finance, Mr Owen Horwood, said in a letter to the National Council of Women (NCW)

He was replying to a NCW letter, written in February, which asked him to exempt basic foods such as bread, meat, milk and maize products from GST, as was the practice in some countries

Mr Horwood's reply was published in the August edition of NCW News.

"It is a moot point as to whether the exemption of so-called 'basic foods' would be of substantial benefit to those in the lower income groups," he said.

The exclusion of a single commodity such as ordinary brown or white bread would cause "identification problems" and require "elaborate record keeping and accounting procedures".

Once the precedent of exclusion had been set, he said, it would be extremely difficult, if not impossible, to resist "equally meritorious pleas" for the exclusion of other items.

This would mean the tax would generate less revenue which would in turn "to a large extent" nullify any advantage which the taxpaying public would have gained

He also said that the introduction of GST had not noticeably affected consumer prices and was one of the lowest-rated taxes of its kind in the world.

The president of the NCW, Mrs Joan Laubscher, said: "We at the NCW think ministers have too much power — surely he must have known he was going to have budgetary difficulties."

In a second letter to Mr Horwood the council asked him to transfer the subsidy on white bread to the more nutritious brown bread.

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'Pensioners spend quarter salary on bread'

Black Sash slams bread price hike

THOUSANDS of black pensioners could spend a quarter of their R40-a-month income on bread after October 1.

According to Black Sash's adviser, Mrs Jillian Nicholson, many black pensioners bought a loaf of bread because it was the only filling food they could afford.

The staggering increase of 10c for a loaf of white bread and 5c a loaf of brown bread announced by the Government last week has shocked consumers throughout the country.

Trade unionists and economists have reacted strongly against the Government's decision

By JOSHUA RABOROKO

to hike the price while the country is entering a recessionary period and thousands of workers, especially blacks, are facing large-scale unemployment.

Mrs Nicholson said that when the new prices came into effect black

pensioners would be the "hardest hit" because the money they got from the Government would "just make it impossible for them to live."

The pensioners could find themselves spending R10 a month just on bread, she said.

"The effect on their health will be devastating," she said.

She said that when one considered that these pensioners also paid house rentals, fed and clothed their children and had to face the escalating cost of living, it was "just unthinkable" how they were going to manage.

Other consumers interviewed on the price hike have said that it would affect their budgets drastically.

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Subject..... Economics II
(to be copied from the heading on the Examination Paper)

Paper No..... 2
(to be copied from the heading on the Examination Paper)

Examiners' Initials		
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NOTE CAREFULLY

1. Enter at the top of each page and in column (1) of the block on this cover the number of the question you are answering.
2. Blue or black ink must be used for written answers. The use of a ball point pen is acceptable. Red or green ink may be used only for underlining, emphasis or for diagrams, for which pencil may also be used.
3. Names must be printed on each separate sheet (e.g. graph paper) where sheets additional to examination book(s) are used.
4. Do not write in the left hand margin.

WARNING

1. No books, notes, pieces of paper or other material may be brought into the examination room unless candidates are so instructed.
2. Candidates are not to communicate with other candidates or with any person except the invigilator.
3. No part of an answer book is to be torn out.
4. All answer books must be handed to the commissioner or to an invigilator before leaving the examination.

Any dishonesty will render the candidate liable to disqualification and to possible exclusion from the University

TEN years ago a loaf of bread cost less than 10c and from next month the price is going up to 53c for white and 33c for brown.

The present increase of more than 10c a loaf for white bread is really a very serious matter for so many people living on a low income, and I feel very strongly that this could have been avoided if certain steps had been taken.

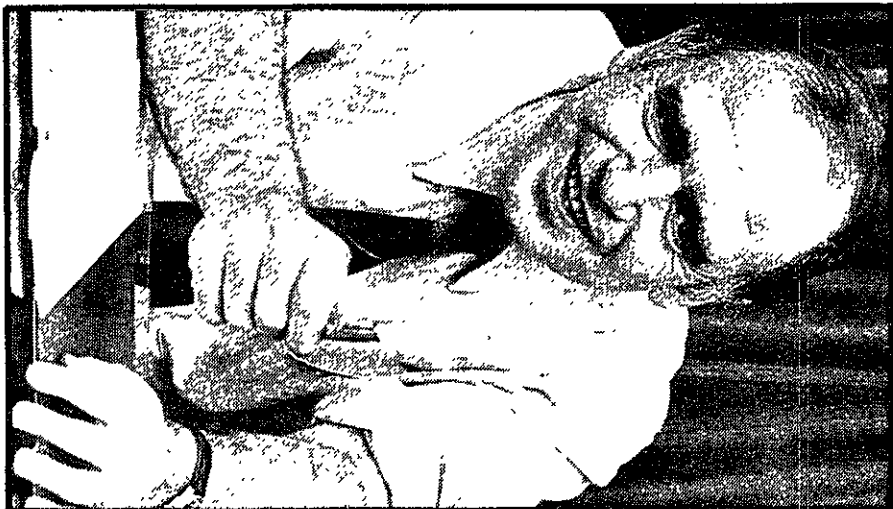
Firstly, however, I would like to give a bit of background.

In March this year, the Minister of Finance, Mr Owen Horwood, stated that in view of the policy of the Government to reduce food subsidies, the public must expect the subsidy to be reduced in October 1982, when the stated wheat increase would be announced. Not many people realised the significance of this and it has only come home recently with the announcement of the huge price hike on bread.

So much has been written recently about this particular increase and the effect on the consumer, that I will not go into any further background but merely try to put certain practical steps forward as to what could be done to keep the price of bread at the old level.

Practical steps to keep the price of bread down are:

- In a country such as South Africa, with its huge gap between rich and poor, it is essential to establish a principle that food subsidies for basic items be maintained, even though certain economists feel it is against economic theory.
- There is no question in my mind that GST on bread and other basic foodstuffs should be eliminated, and this is essentially very practical, despite certain statements by Government



Use your loaf, Mr Horwood

ARE you listening, Mr Horwood? RAYMOND ACKERMAN (left), chairman of Pick 'n Pay, offers you a practical suggestion on what could be done to reduce the bread price. And he's backing it with R1-million from his own company.

Rm 23/9/82



that this would be impossible to control.

Supermarkets could easily control having certain lines at a differentiated GST or at no GST. This again would reduce the price of bread to the consumer.

● The Government has just taken an extra one percent GST, which represents more than R300-million for the whole year. If only another R30-million of this extra money could be taken to subsidise bread even further, there is no question that the entire increase announced 10 days ago would be eliminated, and bread could remain at the present price.

● If there was this increased allocation for bread subsidy flowing from

GST, then, despite the increase of wheat to farmers — which I am not quibbling about because they have had increased fertiliser costs, increased cost of equipment and so on — the farmer could still get his increase to keep him on the land.

● In the light of the Cape Town Good Hope and Carlton conferences of the Prime Minister and businessmen, I feel sure that if the private sector and Government would only work together, the bread price could be maintained.

To illustrate this point, I made a call 10 days ago that if five major companies, such as Pick 'n Pay, OK and Checkers, together with two milling companies, Premier and Tiger,

each put in R1m-million, this would serve as a symbolic gesture to Government that they should put in the balance of R30-million to make up the required R35-million to keep the price at the old level. To date, unfortunately, the above companies have refused to join me in this particular venture. They feel it is the Government's duty to keep down basic foods.

But I feel the Government has a point when it says the private sector should assist Government, and I am very disappointed there has been a nil response to this particular appeal.

However, my company has decided to go ahead and see Minister Horwood and try to get him to put up

R34-million towards increasing the bread subsidy. And they will still put up the R1-million.

To summarise, the Government must aise the increased GST to prevent the bread increase and they must stop reducing subsidies on basic foods. Even though they may have increased the amount of money on subsidies for basic foods, they have reduced the percentage and this has been the kernel of the problem.

If the avowed policy is to reduce percentage subsidies in the ensuing years, this can only cause trouble in a country with endemic problems of rich and poor, black and white.

The consumer is powerless against big business and big government. I felt the symbolic gesture of five companies each putting in R1-million would bridge the gap and show that big business and big government cared.

Minister Horwood, who has just returned from the IMF conference, may well consider these points, and as the decision was taken while he was away, could well reverse it, and use part of the GST money to prevent the price rise.

Another crucial aspect is that major companies, such as our company and other chain stores, have been selling bread at below cost price since March this year, when GST went up from 4% to 5%.

Now that it has gone up to 6%, it is even more important for these companies to keep their bread prices at cost or below, and this applies even if the present increase is retracted by the Government.

The bread price is a matter of extreme urgency which has to be settled before the end of September, otherwise the poor people of this country will face a most severe problem which will affect all of us.

The poor must not feel we are playing politics with poverty.

The recent gold price increase, let alone the GST increase, could easily pay for the extra R34-million that is required.

Question 5

'Wheat Board doesn't care'

Bread price demo plan

By
Ryland
Fisher

10/29 *(3) wheat*
Herald
25/9/82

THOUSANDS of pamphlets have been distributed to draw attention to a public meeting in Athlone on Sunday, called by the United Women's Organisation to demonstrate against the latest jump in the bread price.

Athlone Civic Centre is the venue for the meeting. Pamphlets calling on all people and their organisations to unite to fight the increases were distributed at stations and bus termini last week.

The meeting is scheduled to start at 2pm.

In a statement the UWO condemned the price increases of 6 cents on brown bread and 10 cents on white bread.

EXEMPTED

The UWO said all food-stuffs should be exempted from General Sales Tax, and bread, as a staple food, should be subsidised in full.

"How are we going to meet this increase which comes in spite of the assurance by the Government that the GST increase was to protect the bread subsidy?" asked the UWO, which has

more than 500 members throughout the Western Cape.

"How are families, who live on R25 or R30, expected to survive? There are many families who buy five or more loaves daily. It is our staple food.

SUFFER

"Our members are going to suffer bitterly. We work all day and struggle hard to feed our families, but still we can't satisfy their hunger.

"The increase in the price of bread is an attack on the living standard of the majority of South Africans who have no voice.

"Who did the Wheat Board consult before putting up the price of bread? These boards do not care about those who suffer through their actions," the UWO said.

'Symbolic bread boycott' urged

Staff Reporter

TWENTY-THREE Cape community, trade union, women's and student organizations yesterday resolved to oppose the October 1 bread price increase — possibly by calling for a limited boycott of bread.

At a mass meeting in Athlone, the organizations and the crowd of about 600 people decided to liaise with trade unions, civic organizations and other community groups to discuss the possibility of a "short-term, symbolic boycott" of bread.

This would be co-

ordinated on an area basis, with October 1 being a possible date for implementation.

A petition would be drawn up to oppose the price increase, and this would be launched nationally.

The meeting, called by the non-racial United Women's Organization (Uwo), called on the government not to implement the bread price rise, to exempt basic foodstuffs from General Sales Tax, and said bread should be more heavily government-subsidized.

It was also demanded that free bread be distributed to primary schools,

pensioners and the disabled, and employers were called on to increase wages so workers could afford to buy food.

Introducing the speakers, Ms Cheryl Carolus said: "Over the past few months many things which the poor people cannot do without have gone up in price.

"Somewhere there must be a limit, and the Uwo feels this bread price increase is the limit."

The secretary of Uwo, Ms Zo Kota, told the meeting the increase was "a vicious attack on the people" and the money from the increased bread price would go towards "making the homelands system work" and to the Defence Force.

To applause, she said: "Thousands of people in South Africa are dying of hunger — we demand food for the people and not for profits. We demand that bread be made to fill the stomachs of the masses and not to line the pockets of the bosses."

The chairperson of UWO, Mrs Dorothy Zihlangu, addressed the audience as "a mother from Guguletu".

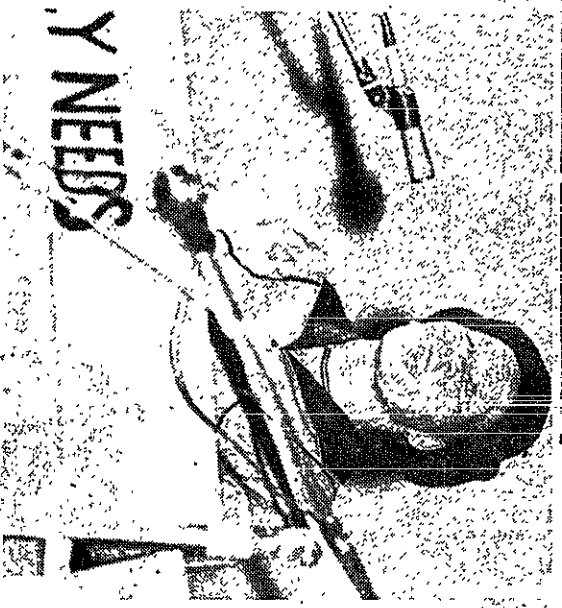
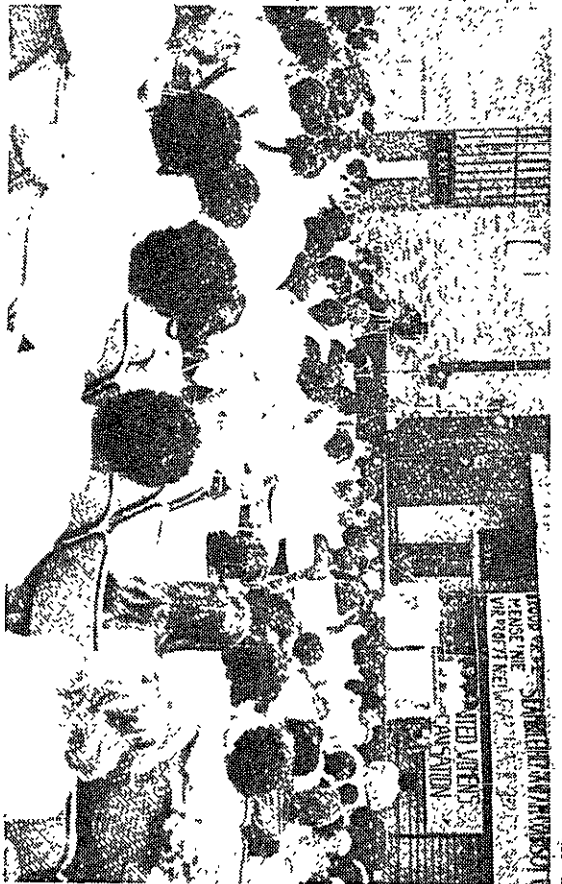
"If this increase comes in, my children are going to suffer.

"We must unite, mothers, we must have one voice, we must fight this increase, we must fight this government."

Speakers from the floor emphasized that it was the working class who would suffer most from the increase, and although profits of the farmers and the milling companies would go up, the wages of workers in the two industries would not.

Political comment by A. H. Heard, G. E. Shaw, R. A. Norval, J. V. Scott and M. P. Acott. Cartoons by A. M. Grogan. Headlines and sub-editing by A. J. Moth and W. Odendaal. All of 77 Burg Street, Cape Town.

Left: Part of the crowd of about 600 at yesterday's mass meeting in the Athlone Civic Centre. Right: The chairperson of the United Women's Organization, Mrs Dorothy Zihlangu, tells the crowd: "We must unite, mothers, we must have one voice, we must fight this increase."



By GERALD REILLY
Pretoria Bureau

BIG increases in meal and flour prices will come into effect on Friday.

This is the inevitable result of the higher wheat price and the slashed Government subsidy.

Because of this the prices of brown and white bread — already announced — will also rise steeply, brown to 35c a loaf and white to 53c.

A 5kg pack of white bread flour will go up by 16,5% — from R2,72 to R3,17 — and cake flour from R3,07 to R3,60.

Because of a cut in the subsidy on brown bread and wholewheat meal the prices will rise sharply.

A 5kg pack of brown meal will be increased from R1,78 to R2,39 and wholewheat meal from R1,77 to R2,38.

And a half kg pack of brown meal will go up from 99c to R1,32. A 1kg pack of brown meal goes up to 54c from 40c and so does the price of wholewheat meal — a rise of 35%.

The subsidy on brown and

RDM 29/9/62

Big increases in the price of meal, flour

3 wheat

wholewheat meal has been cut from R125 a ton to R95 a ton.

Economists said yesterday that the lower income groups would be the hardest hit by the higher flour and meal prices.

Meanwhile, the Minister of Mineral and Energy Affairs, Mr Piet du Plessis, said in a statement last night that there will be no increase in the price of petrol at least before Christmas.

He said speculation in recent newspaper reports that the price of fuel would go up necessitated a statement from him "to give certainty to the consumer public on the issue".

"In spite of a further weakening in the exchange rate of

the rand against the dollar since the previous price increase in April this year it had been possible with the co-operation of the oil companies, and through other measures which can be taken, to avoid a fuel price increase for the present."

Another hike in the price of steel — of up to 20% — is in the offing say some retailers but officials are keeping quiet at this stage and would not confirm reports of the increase.

The chairman of Iscor, Dr Tom Muller, said yesterday that he could not comment on the rumours as price increases were never made known before hand.

The Rand Daily Mail correspondent in Durban reports

that despite the oversupply of red meat and skim milk, the South African consumer is paying much more for the local product than he would if he imported it from overseas.

This is the conclusion drawn by Durban ships' chandler Mr Carl Walker, who says he could get cans of evaporated milk cheaper from Holland, and pay less for steaks from Australia, than he would buying them from local wholesalers.

He said ships' chandlers could import foodstuffs from overseas without paying import duties, although these goods could only be supplied to vessels which called at Durban for supplies.

Swoop on bread marchers

AKGUS
30/9/82
3 Wheat

NINETEEN placard-carrying women, youths and children were arrested and held under the Riotous Assemblies Act when they marched on the Sasko Milling Company in Paarl today in protest against tomorrow's bread price increase

Earlier two youths standing on a street corner near where the protesters later gathered were bundled into a police car, and a third youth was put in the back of a police van which already held seven or eight prisoners

From 7 am women and children had formed small groups outside Gabby's Corner in Van Riebeeck Street, Paarl. Three unmarked police cars and a police van patrolled the area.

CARRYING PLACARDS

The women and children moved 100 metres along the road to a bus stop.

At 7.35 am 40 women and children, holding placards, began walking towards the Sasko Milling Company. Some of their placards read "Ons is honger, bring pryse af" (We are hungry, bring down prices), "Low wages, but high prices", "Now another blow for the hungry people" and "Bread for people not for profit".

Within minutes they were apprehended by uniformed policemen, many of whom carried batons, who were waiting with riot vans and police dogs.

Nineteen of the protesters were searched, photographed and ordered into a riot lorry. They were then taken to the Paarl police station. The posters were confiscated by police

Among those held are two officials from the Food and Canning Workers Union.

A police officer said the arrested people may be charged later today.



A Palestinian child sits on the lap of a French paratrooper in the Sabra refugee camp in Beirut. French and Italian troops are now in and around the camps. Troops of the multinational force returned to Beirut following the massacre of refugees in the Sabra and Chatila camps.

Bursary Fund tops R600 000

● Latest donations received:

Previously acknowledged	R598 065
Mrs L M Chagan	20
Anonymous	50
Miss M C Vane	25
B.T.B.	1 000
Vilene SA (Pty) Ltd	200
Trek-Petroleum (Pty) Ltd	300
M Z Brown	15
Anonymous	4 000
Anonymous	107

R603 782

● Contributions should be sent to:
The Cape Times Bursary Fund,
P.O. Box 11,
CAPE TOWN 8000

turned about 10 days ago — and let me make it clear I have great admiration for the Minister of Finance — I have been phoning his secretary some three times a day to no avail.

Mr Ackerman said the inactivity made a mockery of recent attempts at the Good Hope conference to bring the business sector and government closer together.

Asked what response there had been from the private sector to his appeal for R5 million Mr Ackerman said that there had been a flat rejection. "But we are not discouraged and hope our competitors will also play their part in preventing this increase."

● Spokesmen for both Mr Horwood and the Minister of Agriculture Mr Greyling Wentzel denied yesterday that the ministers had refused to see Mr Ackerman.

A spokesman for Mr Horwood said there had been no attempt to avoid Mr Ackerman, but Mr Horwood had a very tight programme.

Mr Wentzel's office said that when Mr Ackerman's secretary requested an interview, she had been asked to provide a short memorandum on the subject for discussion. This was still awaited and, when it was received, a meeting could be arranged.

Backing for bread boycott

Staff Reporter

THE call for a short-term symbolic boycott of bread in protest against the October 1 price-increase gained momentum on Tuesday night when a protest meeting in Paarl voted for a two-day boycott of the foodstuff.

The crowd of about 300 people voted not to buy or eat bread on October 1 and 2 and called on the government to remove general sales tax on basic foodstuffs, to increase the bread subsidy and to provide free bread for pensioners, the disabled and primary schools.

Cafés and supermarkets were asked to reduce their profits on basic foodstuffs.

Another public protest meeting is being held tonight in Kayamandi Township, Stellenbosch.

and one was amazed at the dexterity of some of

547: DIE AVONTURE VAN LOLLAPOT AND KRAAL: the trail of the villain

Ackerman to cut bread price

Staff Reporters

FRUSTRATED by a lack of government response to his proposals for holding down the bread price, Pick 'n Pay chairman Mr Raymond Ackerman is going ahead on his own and has earmarked R1-million which will be used to sell bread at the old price.

This will enable Pick 'n Pay to maintain its brown and white bread prices for some three to six months.

Last night Mr Ackerman slammed the government's apathy towards his three-month campaign to prevent the October 1 bread price. He had proposed raising R5-million from the private sector which, with a R30-million government grant, would have enabled the cost rise to be avoided.

Image

It was put to Mr Ackerman that move was merely marketing strategy to enhance Pick 'n Pay's image.

"I totally reject this. We have devoted three months trying to stave off the price rise to enable both government and the private sector to work together. We are deeply concerned at the impact on social peace, not only in the cities but also in the black homelands.

"The government could easily have used part of the recent one percent rise in GST, which could

The Other Broadway reminded jazz diehards that this idiom is very much alive

JOE GUWA

Political comment by A H Heard G E Shaw, R A Norval, J V Scott and M P Acott. Cartoons by A M Grogan. Headlines and sub-editing by A J Moth and W Odendaal. All of 77 Burg Street, Cape Town

Too late for classification

BIRTHS

STERN — To Hilton and Jill (nee Blumberg) a son and brother for Bradley on September the 29th. Both well thanks to doctors and staff at the Somerset

net R600-million in a full year, to subsidize bread. Gold revenues have also been running ahead of budget".

Incensed by insensitivity in official quarters, Mr Ackerman threatened to form a consumer's action party to represent consumers in Parliament.

He claimed he had had a "poor meeting" with the Prime Minister on the bread issue, and had been referred to the Minister of Finance and then the Minister of Agriculture, who had refused to see him.

Given the understanding no bread price would be announced before Mr Owen Horwood returned from the International Monetary Fund summit in Canada, he had been most surprised to hear the Minister of Agriculture's announcement.

"Since Mr Horwood re-

To page 2

7:00: Ditaba/Dikgang (New)

7:10: Sidibeng (Women's F)

7:30: Dinaledi. A programme of Pacific Express with Mapule. Zethu: Space Cats with Myst van Rooijen.

8:00: Ezangolwesine (Tlur)

8:30: Impi Sesibili Yomh. Yaphuma Ngezimpondo & ry of a mission who divisions of flying fo: many than anyone he order to bomb the M Regensburg and Sch

9:00: Izindaba/lindaba (Ne

9:25: Ophunga Elimnadi. (Epilogue). Produced presented by A Q Z

'No' to town's

Own Corres.
SIMON'S TOWN will not be age home on the site of an In a letter from the Direct the town council has been to tor-in-Executive Committee sion not to approve of the e mortal remains from the Se



Bread price 'unjust'

N. M. M. M.
30/9/82 Labour Reporter

Wheat 1.39
DURBAN community organisations and trade unions have launched a petition against the bread price rise due to come into operation tomorrow.

The increases, which will raise the price of brown bread from 29c to 35c and white bread from 43c to 53c, are condemned as 'totally unjust'.

The launching of the petition follows the formation of an ad hoc committee this week representing the Durban Housing Action Committee, the Democratic Lawyers Association, the Natal Indian Congress, the National Federation of Workers, the African Workers Association, the S A Allied Workers Union, Diakonia and Black Sash.

The petition also criticises the Government for slashing the bread subsidy at the same time as it introduced a GST increase.

Wheat export

③
30/9/82

THE South African Wheat Board hopes to export 250 000 tons in the 1982/83 season, beginning October 1, Board manager, Mr Denis van Aarde, said.

He said 60 000 tons has already been sold to traders for unknown destinations, to be shipped December to February, and a further quantity, probably 120 000 tons, was being negotiated.

The 250 000 tons represented a likely minimum, but was reduced from 500 000 tons hoped for originally as drought persists in major wheat growing areas.

A more definite idea of the export surplus would be available around the end of the year once harvesting is well under way in the major wheat growing area of the Free State.

The 1982/83 surplus contrasts with the previous two seasons when South Africa imported a total of about 390 000 tons to satisfy local demand. — Reuter.

Last day to buy bread at old price

By GERALD REILLY
Pretoria Bureau

TOMORROW sees the last of this year's round of basic food price rises when white bread goes up by 25% to 53c a loaf and brown bread by 17,8% to 35c a loaf.

The effect on the budget of lower income groups will be serious, as the biggest eaters of bread are blacks. And from Cape Town it is reported that the move for a symbolic boycott of bread in protest against the price increase gained momentum on Tuesday night when a protest meeting in Paarl voted for a two-day bread boycott.

The crowd of about 300 people voted not to buy or eat bread tomorrow or the next day and called on the Government to remove General Sales Tax on basic foodstuffs, to increase the bread subsidy and to provide free bread for pensioners, the disabled and primary schools.

Cafes and supermarkets were asked to reduce their profits on basic foodstuffs, while the head of Pick 'n Pay Mr Raymond Ackerman was called on to keep his promise to hold bread prices down.

Meanwhile the Government economists said, had submitted to demands from all primary producers this year for higher prices.

All dairy product, maize, and sugar prices had increased they said, and the "whole mad merry-go-round" would start up again next year.

Early in the new year the commodity committees of the SA Agricultural Union will meet to determine the extent of price demands for the new season.

The Minister of Agriculture, Mr G. Wentzel, has said South Africans had the cheapest bread in the West. Economists said South Africa, because of its large population of low income earners, was one of the world's biggest bread eaters.

And even with the steep price rises from tomorrow consumption is expected to continue its steady rise.

With mealie meal it is the staple diet of more than 10% of the population.

3 wheat 244 875 30/4/82

Chain freezes bread price

By Caroline Braun
Pick 'n Pay is to spend R1.2 million to keep the price of bread at its present level for as long as possible.

This means that tomorrow, when the bread price goes up to 53c (including tax) for a white loaf and 35c for brown, Pick 'n Pay stores will continue selling bread for 38c for white and 25c for brown.

Mr Raymond Ackerman, chairman of Pick 'n Pay, said the R1.2 million would subsidise 16 million loaves, and

the lower price should be in force for three to six months.

"For five months, I have tried to see the Minister of Finance and the Minister of Agriculture to sort out a way to keep the bread price down. Neither would see me, and each said the bread subsidy was the responsibility of the other.

"I was appalled that the Government could ignore the hand of friendship from the private sector, so I decided to go it alone."

He said that shortly after he announced the Pick 'n Pay subsidy he received phone calls from the Ministers of Agriculture and Finance, saying they would speak to him.

"But as they are not prepared to keep the price down from tomorrow, I will see them in my own time," said Mr Ackerman.

Mr Ackerman said he was also seriously considering forming a new consumer political party in South Africa.

A Checkers spokes-

man said they would not be providing a subsidy, but would continue to sell bread at cost price.

● Mr Ralph Horwitz, general manager of OK Bazaars, said his company would sell brown bread at a cent below cost (32c with tax) and white bread at cost (51c with tax).

The Housewives' League has organised a four-day national petition to protest against the higher bread price.

IN two years the price of brown and white bread has gone up 65% — more if you count the extra 1c GST that we now have to pay.

The experts tell us that our bread is the cheapest, that we would have to pay at least a rand for a 900g loaf anywhere else in the world. But I don't believe these countries are making the same pared-to-the-bone standard loaf that we are. I just don't see the Dutch or Germans eating our austerity loaf as their basic daily bread. And I bet that Mexicans don't either. Perhaps they don't even have a 900g loaf! So what is being compared to what?

You can't compare two unlike things, even if you are trying to prove a one-sided point of view.

So let's forget what other countries are paying. Anyway, that is starting to be rather a touchy point. Only five years ago we were told that our agricultural products were the cheapest in the world. It is an embarrassing puzzle that with our cheap labour, our wheat, maize and sugar are now among the most expensive.

It is wrong to say the Government is doing nothing about the bread subsidy — they are, to the tune of R191-million, which is R30-million more than last year.

It is easy to lose your perspective when dealing with astronomical figures and a few noughts more or less hardly seem to matter. (There are so many noughts involved in bread calculations that the Wheat Board deals in tons rather than loaves so that the figures will fit on to their calculators). Remembering that there are about 27-million people in

Crumbs from the Govt's table



You can't compare the price of bread in South Africa with bread prices overseas, argues JEAN TATHAM, vice-president of the Housewives' League.

South Africa, a subsidy of R191-million actually averages out to about R7,00 per person per year. To keep the bread price unchanged it would mean nearly R8,50 per person, or R234-million.

What gets me is the Government's illogicality. When GST was increased of September they generously rushed in with an extra million rand so that we would be cushioned from the blow of an extra cent tax. But two weeks later they happily tell us that they are going to sock us an extra 5c (brown) and 10c (white) as from tomorrow. Generous, huh?

Of course, the bigger the subsidies the further we move away from capitalist free enterprise, and the Government can't keep tipping more and more money into the bottomless pit of rising food costs. Heavier tax on luxuries would cover the increased prices for a year or so, but it could never be a permanent solution.

Where can they save? ● Fertiliser costs, particularly imported urea, is a major expense of farm-

ers. We have to make it from coal (via ammonias) while other countries make it far cheaper from natural gas. If we bought cheap imports, companies would lose on their expensive urea plants and would doubtless try to increase the price of other fertilisers.

● Locally made farm machinery is heavily protected, because of the expense of establishing Atlantis — a gigantic factory for making diesel equipment. The idea is that we will be less dependent on petrol if we have a real fuel crisis, because diesel fuel is cheaper. But Atlantis is enormous and a monopoly. It's too late now, but wouldn't two smaller, competing factories have been more efficient?

● Millers — can they be persuaded to economise? ● Bakers — the modern bakery is a fascinating hive of machines that run themselves. The capital repayment must be astronomical. Is labour really more expensive? It is hard to say so, but perhaps the time has come to re-open some of the small bakeries and provide some competition for the big boys.

● Retailers get 2c a loaf and pay for the wrapping of it. It's not much really.

● If GST were removed we could immediately save 2c (brown) and 3c (white). Not much perhaps, but definitely a step in the right direction.

There isn't an easy solution and I'm sure that no single solution would be big enough to solve the problem. But the problem must be tackled, so when are those guys up at the top going to roll up their sleeves and actually do something?

The Housewives' League has been asking that basic foods be exempted since GST was

25m 30/9/82

first proposed in 1978. The Government's big NO was only to be expected. They had the chance of all this lovely jolly coming in and they didn't want to lose one cent of it. And if they started granting exceptions, where would it end — you know those bierrie consumers: give them a cm and they'll take a km.

No one was interested in supporting our plea — new cash registers, inclusive or exclusive, tax returns — were all more important. But in this last year, as money has become tighter and prices are vanishing out of sight, women's institutions are sitting up and taking notice.

And this is where the problem lies. Is the local corner shop going to like adding the tax on to some items and not on others? His cash register isn't one of those electronic gen-

Of course the solution isn't easy — it never is. The big supermarkets would have no problem in excluding a few items from tax as you go through the till. It's just another button to press. The machine keeps those prices on one side in its head and then pops them in at the end after it has added on the tax (or something like that). But we can't all nip off to a supermarket for our daily bread and milk.

And this is where the problem lies. Is the local corner shop going to like adding the tax on to some items and not on others? His cash register isn't one of those electronic gen-

uses. Then he's got the added headache of working out his GST returns to the Government. No longer can he add up the day's receipts and deduct 6%, because now he has all those items that weren't taxed.

It's a big problem, but other countries have faced it and solved it. If Zimbababwe could do it, there is no reason why we can't.

If GST were to be removed on bread it would mean that brown bread had gone up by 4c (29c including GST) to 33c without GST) and white bread by 8c (42c including GST) to 50c without GST). A hefty increase but not as bad as 6c and 11c.

Then he's got the added headache of working out his GST returns to the Government. No longer can he add up the day's receipts and deduct 6%, because now he has all those items that weren't taxed.

It's a big problem, but other countries have faced it and solved it. If Zimbababwe could do it, there is no reason why we can't.

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Bread: Pick 'n Pay go it alone

Staff Reporter

THE major supermarket chains in the country have decided not to align themselves with Mr Raymond Ackerman's plan to maintain the old bread price for between three and six months.

Mr Ackerman, the chairman of Pick 'n Pay, has set aside R1-million for the purpose.

The other supermarket chains have, however, agreed to sell bread at cost or below cost prices, but most cafes and smaller supermarkets will be selling bread at the new control prices today.

'Not the answer'

Miss Peta Lomborg, public affairs manager for Checkers, said yesterday that Checkers would be selling bread at cost price, but the company did not believe that subsidies from either the public or private sector were the answer.

She said her company believed money should be channelled directly to the poor instead of being used to subsidize bread which would benefit the public indiscriminately.

"We are putting money directly into funds for senior citizens for pension schemes, medical aid and so on instead of subsidizing the price of bread," she said.

Checkers will be selling white bread at 48c and brown bread at 31c a loaf excluding the six percent general sales tax.

Mr R Horwitz, director and general manager of OK Bazaars, said his company would be selling white bread at cost price

and brown bread at 1c below cost.

"The reason we are selling brown bread below cost is because the nutritional value of brown bread should be made freely available to the lower income groups," he said.

"We are probably the largest retailers of bread, selling between 20- and 25-million loaves a year. If we subsidized the bread we would be losing something in the region of R2,5m a year," Mr Horwitz said.

Mr M Sachar, chairman of Grand Bazaars, said his firm would be selling bread at below cost but they had not yet made up their minds on the prices.

He said he would not like to comment on Mr Ackerman's proposal but reiterated that none of the large chain stores were prepared to go along with Mr Ackerman's suggestion.

Control price

Cafe and small supermarket owners throughout Cape Town will, on the whole, be selling bread at the control price which has been quoted by a spokesman for a Cape Town bakery as: 53c for white bread and 35c for wholewheat or brown bread. Prices include the 6 percent general sales tax.

A Rondebosch supermarket owner said the public should be made aware of the fact that a loaf of bread only has a life of one day.

"This means if we do not sell all our loaves in one day we lose a lot of money — we just can't afford to sell the bread below the control price."

Low meat prices ⁽³⁾ Meat not passed on ^{Star} 1/10/32

Farming Correspondent
Although the auction prices for beef and pork have hit rock bottom, the lower price has not been passed on to the housewife.

The general manager of the Meat Board, Dr P. H. Coetzee, said in Pretoria yesterday that producer prices for beef and pork had dropped to their lowest level this year. But retail prices had not changed much, and the middleman's share of the consumer's rand was increasing.

Dr Coetzee appealed to supermarkets to pass

on the benefit of the exceptionally low auction prices for meat. Housewives should not buy from retailers who tried to exploit the situation.

Drought had forced farmers to sell cattle. Fat stock from feedlots, fed on last season's failed maize crop, was now also entering the market. The pork glut was continuing.

Demand for red meat had slackened however, because of unemployment and general decline in real income of households.

Bread protest petition launched in PE

Wheat Post Reporter *E. Post 1/10/81*
A PETITION calling for an immediate reduction in the price of bread will be circulated at hypermarkets and supermarkets in Port Elizabeth from today until Tuesday.

The petition, which has been launched nationwide by the Housewives League, registers "anger and concern at the excessive bread price increases" which came into effect today.

It also calls on the Minister of Finance "to reduce the increases immediately".

Mrs Linda O'Connor, the second vice-president of the

Port Elizabeth branch of the league, said members would be on duty on a roster system at tables at the "Big D" hypermarket at Greenacres, the Pick 'n Pay Hypermarket at Hunter's Retreat and Pick 'n Pay supermarkets in Walmer, Newton Park and Commercial Road.

Housewives League branches throughout the country are collecting signatures which will be passed on to the national chairman, Mrs Joy Hurwitz, in Johannesburg.

As from today, the price of white bread goes up by 25% and brown bread by 17%.

"It's a serious price hike for a staple food," said Mrs O'Connor.

Protest petition on bread price hike

Mercury Reporter

OPPOSITION to today's bread price hike is mounting with the nationwide launching of a petition by the Housewives' League.

From today the price of brown bread rises from 29 c to 35 c and white bread goes up from 43 c to 53 c.

The petition, which will be available outside all major supermarkets from today until Tuesday, registers 'anger and concern' at the 'excessive' bread price increase.

It calls on the Minister of Finance, Mr Owen Horwood, to 'reduce the increase immediately'.

The Natal chairman of the Housewives' League, Mrs Cynthia Blom, said the petitions will be collated in their Johannesburg head office and then will be taken to the minister by a delegation.

She said they were particularly concerned at the effects that the continual increase of basic foods were having on the lower income groups.

Signatures

Meanwhile, the petition launched earlier this week by an ad hoc committee representing Durban community organisations and trade unions has collected more than 1 000 signatures.

The petition is being distributed through community organisations throughout Natal and the committee is aiming at collecting 250 000 signatures.

About 40 people yester-

day staged a symbolic protest against the bread price increase in Paarl and walked about 50 m into the arms of waiting policemen, writes our Cape Town correspondent.

Nineteen of the group were arrested for contravening the Riotous Assemblies Act by a strong contingent of uniformed policemen who had been waiting for at least an hour for the march to take place.

Names taken

Three others were 'snatched' from groups of people waiting on a street corner by uniformed policemen shortly before the march started.

Their names were taken, their posters removed and they were filmed before being placed in a truck. They sang songs as they were driven away.

Maj George Kershoff, who later came to the scene to take the Press, said some hours afterwards that 19 people had been arrested during the march and three had been detained earlier.

They would all be charged with contravening the Riotous Assemblies Act.

Twenty-two people later appeared briefly in the Paarl Magistrate's Court. They were not asked to plead and no evidence was led.

The adults were granted R50 bail each and the minors were released into the custody of their parents.

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Mercury
11/10/82

Profiteers snatch 19c on a loaf

③ wheat
MUST
Mercury
2/1/82

Mercury Reporter

CENT-SNATCHING shopkeepers yesterday cashed in on the Pick 'n Pay subsidised bread campaign, buying up hundreds of cut-price loaves — and then producing their GST certificates to get a tax refund on top.

This meant:

They bought brown bread for 24 c and white for 36 c;

They got a GST refund of 1 c or 2 c.

Then they went to their shops and sold the bread at 35 c and 53 c a loaf.

This meant:

A profit of either 12 c or 19 c a loaf, less GST.

The general manager of the Durban North Hypermarket, Mr Martin Rosen, said he had been forced to give the shopkeepers' their GST refunds.

'There was nothing we could do about it.

'But from now on we'll be limiting the number of loaves anyone is allowed to buy.

'It's not illegal to buy bread in bulk — but it was disappointing to see shopkeepers going berserk to make a few cents out of an offer made to help ordinary people.

'We were unhappy enough about them buying in bulk — but then they had the cheek to ask for a GST refund!

'We have people who buy in bulk — for kindergartens and those sort of places — but we know who they are.'

Yesterday sales rocketed at the store to almost double those of a 'good day'.

On July 30, the store sold 2 700 loaves.

Yesterday it had sold 5 000 before 5 p.m. By closing time at 8 p.m., sales had topped 8 000.

Other chain stores were reported selling their bread at cost.

Corner cafes experienced no drop in sales but said there had been complaints from blacks.

They are selling the bread at 4 c above cost price.

ROM 2/10/87 (3 wheels)

Bread hike prompts protest petition

Mail Reporters

CONSUMER anger at the increase in bread prices yesterday has spurred the Housewife's League to start a national petition to the Minister of Finance, Mr Owen Horwood, condemning the increase and demanding it be reduced immediately.

A vice-president of the Housewife's League, Mrs Jean Tatham, said Pick 'n Pay and Checkers had agreed to allow petitions to be signed on the premises. The OK Bazaars had said a table could be placed outside the premises and signatures collected.

White bread rose to 53c a loaf and brown bread to 35c yesterday.

"I know a large number of

people are upset by the increase and we are hoping for a 'big response,' she said.

On Thursday the price hike prompted a protest march in Paarl, in which 19 people were arrested. And on the same evening, 200 representatives from sports and women's organisations meet in Kayamandi in Stellenbosch to discuss the price increase.

Strongly condemning the arrests, a representative of the Paarl Community Council, Mr Matthews Scott, said it was "saddening" to note that the Government was using the police to harness and crush "the only legitimate voice of the people without a parliament in their own land".



MR OWEN HORWOOD to receive petition

He said it appeared that they would have to prepare themselves for more clashes

with the authorities as "the minority ruling class keep making decisions for the majority working class".

Among the demands at the Stellenbosch meeting were:

- General sales tax be removed from all basic foods;
- The bread price not be increased;
- Free bread be supplied by the government to all primary schools, pensioners and the disabled and;
- All supermarkets lower their profits on basic food-stuffs.

A second meeting will be held at Kayamandi on October 5 where a committee will be elected.

Meanwhile Sapa reports that the Opposition's chief

spokesman on consumer affairs, Mr Harry Schwarz, yesterday attacked the chairman of the Consumer Council, Professor Leon Weyers, for his statement that black workers were, in real terms, paying less for bread than 22 years ago.

"This kind of statistical argument is of no value in the face of the reality of trying to make ends meet with virtually every essential of life going up in price, not only bread.

"The job of the spokesman of the consumer is to champion the consumer cause and not to excuse government or control board actions.

"People cannot eat statistics," Mr Schwarz said.

Bread petition launched

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3 West

C-Herald

2/10/82

By Ryland Fisher

ANGRY consumers at an Athlone meeting on Sunday decided to launch a petition against the pending bread price increase — and this could see the start of a national campaign against high food prices.

The meeting, called by the United Women's Organisation (UWO), was marked by spontaneous participation and calls

for action from the 600-strong audience.

After much discussion, it was decided that any decision on a bread boycott, symbolic or prolonged, would have to be taken back to community organisations, trade unions and other bodies all over the Western Cape.

A bread co-ordinating committee consisting of various organisations was set up to fight the high price of bread. This

committee would call on organisations all over the country to join the campaign.

A UWO member said it was difficult to stop the bread price increases on October 1, but they hoped to gain enough support for their demands before the next sitting of Parliament.

Speakers said it was necessary to have some form of protest on October 1 to show disgust at the price hike.

The petition to be distributed this week will include the demands made at the meeting.

They are:

- the bread price should not go up;
- the bread subsidy should be increased;
- basic foods should be exempted from GST;
- FREE
- free bread should be given to primary school pupils, pensioners and the disabled;

● all shops and supermarkets should make less profit on basics;

● Supermarket tycoon Raymond Ackerman should keep his promise to sell bread at a low price.

Opening the meeting, UWO member Ms Cheryl Carolus said: "Over the past few months, everything has gone up. Somewhere there is a limit. The UWO believes this bread price increase is the limit".

UWO secretary Ms Zo Kota said the Nationalist Government increased the bread price to retain the votes of farmers who were moving towards Dr Andries Treurnicht's Conservative Party and the Herstigte Nasionale Party.

The UWO chairperson, Mrs Dorothy Zibhangu, of Guguletu, said food price increases would result in children stealing food. "Our people will die of hunger," she said.

'IT'S BREAD, BOARD AND PRICE FIXING'

about. When I said bread, they told me that I had put the minister's back up because of the argument we had over eggs recently.

"They said I should submit a memorandum and they would then give me an appointment, they hoped it would be within the next six months.

"This is the government which asked for closer co-operation with the private sector. It was only when this whole thing was published in the Press that they agreed to see me.

"It is not only bread — this just happens to be the latest issue. They raised the price just after the increase in GST which was supposed to subsidise basic foodstuffs, and after statements from Ministers that price wouldn't be raised.

"But there is a whole range of other things. There are agricultural control boards, there is price fixing, there are monopolies," Mr Ackerman said.

"I am not going to be treated like dirt by the Government. I've got great respect for Mr Horwood, who was my lecturer at UCT, and I'm not threatening. But if the Government carries on like this I'm going to start a Consumer Party.

"I don't really want to do it. Everyone knows that South Africa is at the crossroads politically and I'm actually one of an informal large group of businessmen working in a non-political way to bring the PFP and the Nats together.

"So, I wouldn't really like to form another splinter party. But the consumer is largely ignored by all the political parties and

unless the Government changes its attitude I'll go ahead.

"In fact I've already drawn up a constitution for the party. It's with my lawyers at the moment."

Mr Ackerman denied he was simply using the bread issue to get mileage for his company in the Press and to bring customers to his shop.

"My business rests on four fundamentals: efficient administration, cheap and good merchandise, social responsibility and the realisation that as a businessmen I function in a community and I have some responsibilities to it; and looking after the people I employ.

"If we just ignore what is happening in the community we will have unrest and we could easily destroy all the markets.

"Sure I'm in business to make a profit. There's nothing wrong with that. But we have to ensure there are markets to operate in."

For the six months ended in August Pick's Pay turnover had climbed from R441,4-million to R566,2-million an increase of 28 percent.

The company paid R7,9-million in tax — an increase of 40 percent for net profits of R9,7-million.

Meanwhile, eighteen people were arrested in Paarl this week for protesting about the bread price increase. Placards reading "We are Hungry, Bring Prices Down" and "Low Wages High Prices" they marched towards the Sasko Milling Company. The 18 arrested will face charges in terms of the Riotous Assemblies Act.

JOY'S BOOK



David Kramer, and a few hours before the launching of *Off in the Pool* of his Oranjezicht home. The man tells the rise and fall of Blokkies and Budgie in his book which goes on sale today.

Picture: Ivor Markman

Another chain keeps bread price down

By KAREN LE ROUX
GRAND Bazaars has joined Pick 'n Pay in its fight to keep the price of bread down.

In a bid to protect customers from the substantial bread price increase of October 1, Grand Bazaars is selling white bread at 13c below cost to all social pensioners and at lower income group outlets.

Mr N Bernstein, merchandising director of Grand Bazaars, said yesterday that the group had decided to set aside a large sum of money to subsidize basic foods.

White bread will be sold at 35c — 13c below cost — at the Elsie's River, Maitland and Epping branches and at 35c

at all branches to all social pensioners who produced their pensioner cards.

Mr Bernstein said the special offer would continue until the subsidy money ran out.

Before the latest increase, the control price of white bread was 43c, and brown bread 29c, including GST. The control price from October 1 is 53c for white bread and 35c for brown.

Mr A Baxter, senior buyer for Pick 'n Pay's Western Cape supermarkets, said yesterday that the daily bread sales had doubled on Friday.

Mr Baxter said there was no limitation on the number of loaves a customer could buy.

City has hottest day since March

Staff Reporter

CAPETONIANS experienced their hottest day since the winter and the second-hottest day this year when the temperature soared to 33,4 deg C at DF Malan Airport yesterday afternoon. The highest temperature recorded this year was 0,01 deg C higher on March 9.

Yesterday's temperature was also the hottest for October at the airport since 1973, when 36,2 deg C was recorded. The hottest temperature ever recorded at the airport was 40,7 deg C in March 1973.

The 12,7mm rain that fell at the airport last month — the hottest September in the past seven years — was well below the 42,4mm average for the month.

It was also the driest September since 1975, when only 9,3mm was re-

corded — the lowest since recordings were first made at the airport in 1957.

In the central City area, 20mm was recorded in the three days that it rained in September. The average for that month is 73,7mm.

In Newlands, 98mm fell over four days in September. The average there for September is 164mm.

The lowest rainfall ever recorded in September was in 1945, when 4,8mm fell in the City and 5,3mm fell in Newlands.

But in spite of the dry September, this year's rainfall was still "well above" the annual average and Boland and Swartland farmers could still look forward to bumper crops, a spokesman for the weather office said yesterday.

● Pictures, page 2

Missing golfer safe on Rand

By ANDREW DONALDSON

CATHERINE Sarah Dale, 17, the Junior Western Province golfer who disappeared from her Pinelands home last week, was tearfully reunited with her family by telephone late yesterday after she had been traced to Johannesburg.

Catherine's father, Mr J P R Dale, a chief medical technologist at UCT's medical school, said last night he was "very pleased that this little bit of nonsense is over" and that she was being "looked after" until her return.

He said Catherine, last seen by her parents on Wednesday after she had attended a Rotary leadership course in Pinelands,



Catherine Dale

the former neighbours, who were friends of the Dale family, and had told them she was on holiday.

"When they contacted me and said Catherine was staying with them, I told them to try discreetly to keep her there," Mr

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Stores

Wheat
report

Mercury
bread

5/10/82
sales

slump

Mercury Reporter

BREAD sales have slumped and many corner stores in the Durban area reported being left with as much as 30 percent of their normal bread order.

A Prince Street dealer said: 'People in my area are poorer and therefore bread is an important part of their diet. But not for 53 c.

They now buy half a loaf,' he added.

Another store owner, who said Monday sales were usually 20 percent up during holiday periods, declared: 'I had to cut Monday's order because I've still got a third of my weekend stock. People are now buying more brown than white bread, as well.'

Dealers

North of Durban, in the wealthier suburbs, owners also reported a drop in sales, and said their orders had been cut to match a fall in demand.

Said one dealer: 'I suppose people are buying from the supermarket.'

Bakers said they had experienced a 'small drop in volume', attributing it to dealers anticipating a downturn in sales.

Our Cape Town correspondent reported that the Cape-based group, Grand Bazaars, joined Pick 'n Pay in its fight to keep the bread price down by selling white bread at 13 c below cost to all social pensioners and at lower income group outlets.

Mr N Bernstein, merchandising director of Grand Bazaars, said yesterday that the group had decided to set aside a large sum of money to subsidise basic foods.

(3) Wheat (Ad) D-Dispatch
8/10/82

Strong resistance to white bread price

EAST LONDON — Most bakeries in the Border and Transkei have reported a drop in sales of white bread following the increase in price from 42c to 53c from October 1.

And the biggest resistance to new prices seems to have been shown by Transkei consumers as a bakery in Umtata yesterday reported a 30 per cent drop in demand for white bread and a 15 per cent drop in sales of brown bread.

But Queenstown bakeries do not seem to have been affected to the same extent. The two bakeries contacted both reported no change but managers added there was normally a high demand for bread around the end of the month.

"Maybe we shall know in two or three weeks whether there has been a drop," one manager said.

Another said: "We are selling as much bread now as we did before the beginning of the month. We had geared ourselves for a cut in production but there was no drop."

A bakery in Butterworth reported a slight drop in sales of brown bread and a marked drop in demand for white.

But the manager added it was hard to judge the extent of the effect of resistance to the new prices because they came soon after they had installed new equipment which had meant they were producing an improved product which was attracting more customers.

In King William's Town there has been a decline in sales — both white and brown with a bigger percentage in white bread.

But that was not unexpected, the manager of the bakery said.

He added that in the past when there had been increases in price there had been resistance to new prices for about two to three months and sales had then levelled up again.

Although there had been a marked decrease in demand for white bread from the three main bakeries in East London, there was no corresponding increase in brown bread sales.

One bakery reported an increase in wholewheat bread sales.

"It appears many people who have stopped buying white bread are not buying the standard brown loaf but have switched over to wholewheat," Mr Tony Hart, production manager of one bakery, said.

He felt there was a "definite resistance" to white bread.

"But this is a quiet time of the year for business and the drop might continue for a short time," he added.

Sales of brown bread were holding but there was an indication they might slacken gradually.

Mr Johan Le Roux, bakery manager, said there was a definite drop in sales of white bread.

"And we are not selling more brown bread either," he said.

The manager of another bakery, Mr K. Whitfield, said there had been a 15 per cent drop in white bread sales and a slight but noticeable drop in brown bread.

He had not noticed any change in demand for wholewheat bread. — DDR

MRP

WITH the latest heartless price increases, the subject of bread has become very explosive.

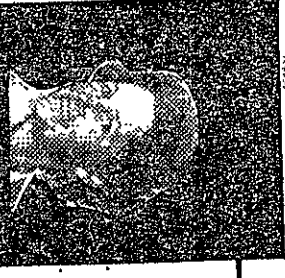
Bread is the baseline breadwinner's breadbasket bread and, unless all these terms bear witness to its fundamental importance, particularly brown bread.

Yet, we are even being sold short at the new price. Not just in the quality of the so-called wholewheat loaf, but even in its weight.

After mention in *Talking Shop* of September 26 about the disappearance of real wholewheat bread, several readers contacted me.

Molly of Hout Bay reported that in the Cape they get a real roughage-giving and nutritious loaf. She has promised to send me a sample.

I hope she's right because a Durban caller also commented a local baker's product but when I went to buy a check



Talking Shop

COLLEEN SHEARER FINDS THAT YOU GET LESS THAN YOUR SLICE WHEN IT COMES T

Cut ³ wheat ~~loaves~~ up rounds in boy

740 grams instead of 900 grams!

The bakery was *C'est si Bon* and it appears that their dough slicer was out of commission. (The slicer automatically puts about one kilogram of dough into the pans, allowing for a 100-gram loss during baking.) So the job was being done by other more fallible means and you-know-who lost out again — The consumer.

I reported the incident to the Department of Trade Inspections who went at once to check. They found more underweight loaves and stopped sales.

The matter is under further investigation and the outcome will be reported in this column as soon as I am informed.

For consumers' information here is what you should be getting: —

• Ordinary pan-shaped loaves of white; brown and wholewheat (sic) must weigh 900 grams. An exception is special sliced superwhite which must weigh 750 grams.

• Otherwise, whole baked units of other shapes or quality — for instance, High Protein — must conform to one of the following weights, 225 grams, 450 grams, 900 grams, 1.35kg or 1.8 kg — Compound and stale bread are not governed by this requirement.

I next called on *Bakoven* and bought a loaf of what they call whole-

wheat but the pantomime persisted. Again it was ordinary brown disguised on the outside.

While on a short up-country trip I also bought "wholewheat" bread in Ladysmith and Bethlehem from *Sasko Bakesies*.

Neither loaf passed. Both comprised, at the most, 10 percent wholewheat.

I spoke to the manager in Ladysmith and at first he argued that there was no demand for wholewheat. However, it transpired that it takes longer to bake a wholewheat loaf. He also intimated that if there was a demand, he would supply wholewheat. So one must presume the real issue is one of economics and not "production difficulties."

In any case, the "no demand" excuse sounds pretty hollow because in Durban and at the *Sasko* outlets one has to be an early bird to get the wholewheat. (I am getting chary of using that misnomer).

Prick 'n Pay has certainly shown plenty of spirit over the bread price but they should be careful, not to include wholewheat in their advert because this is simply expanding the baker's error.

In any event, it surely is not a chain store's duty to soften the body blow and this can only be a very short term measure.

It is the Government's responsibility to see to the welfare of ALL consumers. The argument of bread being cheaper here than in many other countries is a weary excuse and a mockery of economics because the AN-NAL average income for blacks — the hardest hit — is so low.

Which brings to mind the fact that so much of our production is more expensive than the free world's.

Why? One-channel control boards? Prices up during surpluses?

The latest example is steel. Because South Africa is having difficulty in selling steel overseas where most countries have large surpluses.

Firstly it was not genuine "wholewheat" but brown rolled in wheat grains and with traces of whole wheat grains in the loaf.

Secondly, it was grossly underweight —

(b) Economic growth in any country is mainly due to competition and efficiency. As the industrial colour has been tended to distort the market mechanism in the country for some time, this has led to inefficiency and lack of competition.

Through the recruiting organisations the different labour departments

have
labour
month
margin

IT is becoming increasingly uncertain whether consumers are getting what they pay for.
The latest incident concerns Super Klean Bleach manufactured by Oily Products of Chairwood.
Mrs A.P. Russell reported to me that she

★ ★ ★

The Banana Board, at least, does give us the benefit of lower prices during bumper-crops but there is a healthy two-channel marketing board where a producer is free to choose whether to sell privately or through the board, or both. That is the ideal system.

WHOLEWHEAT BREAD...

the bakers

with very cheap and a monopolistic my below this

Together
gold in
category
of the

I contacted the direc-

Mrs Russell's concern was: "What about the poor people who are looking for bargains?" This was why she came to Talking Shop.

She complained to Oily Products, warning that she would take the matter to a higher authority, and was told there had been "a big mistake". She was offered replacements delivered to her home.

bought 12 bottles of Super Klean Bleach from Carlson Supermarket at a Special Offer price of 99 cents for four. When she used some she found "It didn't even say hello" meaning it was almost as weak as water.

lady in the skilled labour the position

As we
this go
labour
the saw

Inspectors from that

The active ingredient is Sodium Hypochlorite. Nevertheless, I also notified the Department of Trade Inspections and they are investigating, having taken samples to be tested. These results, too, will be reported in this column.

As Super Klean does not declare the active ingredient, I suggested to Mr Sulman that he should advertise this but the idea didn't seem acceptable.

Mr E. Sullivan, who told me that one batch had turned out faulty and he had made arrangements with the store to remove all stocks of that batch.

skilled jobs, to obtain this more to do

This was
They are
level. T

department are always most co-operative.
LET'S end with a bouquet.
A reader in Kloof bought a packet of Tea-spoon Tips Tea because it advertised a free teaspoon inside. Her packet had only the 100 teabags so she wrote to T.W. Beckett & Co, the packers, to complain.
On a Sunday morning a representative from that company called at her home and presented her with a teaspoon plus a free box of teabags, and though she was embarrassed by the "royal treatment," she was delighted to know "that there are still some people who care."

they could. 21 a higher competitive

with ~~some~~ competition (not in the case of mining as the price of gold is fixed). However, in other industries the colour has had the effect of raising the price of the goods so they are not as competitive with other countries which in turn lowers the level of exports.

The main debilitation for the economy is inflation control. At the moment

LONDON. — World wheat output in 1982 is expected to rise by 7-million tons to a record 464-million tons, according to the International Wheat Council (IWC)

The increase reflects bumper crops in North America and the EEC and makes allowances for deteriorating prospects in Australia for which a forecast of 9-million tons is given

The 1982 Soviet grain crop is forecast as rising by 10-million tons to 180-million, consisting of 85-million tons of wheat, 85-million tons of coarse grains and 10-million tons of other grains and pulses.

Soviet imports for 1982-83 are seen as falling to an estimated 41-million tons, and

Wheat crop to rise

according to the IWC grain shipments to Russia in the July-September quarter of this year were much lower than expected.

Coarse grain output is seen by the IWC as reaching 781-million tons in 1982-83 (July-June) — slightly higher than the previous year's level.

World coarse grain trade is estimated as remaining at 100-million tons.

no 2
12/10/82
3 W/Lead

Press sent out of bread trial

NR44J

12/10/82

312/44

Boland Bureau

PAARL. — The Press was ordered out of a magistrates court here today at the start of the "bread protesters' case".

The 22 accused in the case were arrested in Paarl at a protest meeting against the bread price increase on Sep-

tember 29. Seven of them were minors.

At the start of the proceedings today, Mr G J Badenhorst, for the State, asked that the case be held in camera because minors were involved.

Miss Y S Meer, who appeared for the accused, then made an application that the case

not be held in camera. She told the court that the case was of great concern and interest to the community.

If members of the community were allowed to stay it could be educational for them, she said. They could learn from the proceedings how they could deal with their

grievances and cope with similar situations.

A precedent had been set in the Mpepha trial in the Cape Town Supreme Court. Many of the accused in the trial were under 18 yet the public and the Press were allowed in court.

After a short adjournment, the magistrate, Mr

G Rossouw, said an exception could be made only when the presence of members of the community was "imperative for the proceedings" and this was not the case in the bread protesters trial.

Mr Rossouw also turned down an application that friends and relatives of the adults be allowed to stay and the hearing continued in camera.

Charged with attending an illegal gathering were:

Arden Jean Blaauw, 20, Joseph Meyer, 20, Patrick Charles Truter, 20, Lizzie Dina Abraham, 47, Calvin Fre-

dricks, 19, Chantel Jennifer Lawrence, 18, Lucy Zegwana, 43, Willem Simonse, 20, Leroy Truter, 19, Luzzi Phike, 44, Ruth Tisana, 56, Godfrey Abraham, 23, Leon Mankohams, 18, Vivian Mathee, 25, Ruben Richards, 20, all of Paarl-East, and seven youths who may not be identified.

30/leaf 24/11/82

Boiland Bureau

LEADING Cape advocates and Paarl community leaders today expressed anger and dismay over a Paarl magistrate's decision to bar the Press and the public from the bread protesters case.

The case has generated wide community interest and the courtroom in Paarl was packed before the case started yesterday.

The 22 accused in the case were arrested on September 29 during a protest march against the bread price increase.

Bread case: Anger at bar on Press, public

Seven of them were minors.

A Ned Geref Sending Kerk minister of Paarl, the Rev Abraham Maart, warned that the matter would "boomerang" if people were not kept informed of the proceedings.

"This is a matter which affects all the people here. The bread price is an important issue.

"It would have been extremely helpful if people had been allowed to

attend the case so that they could have seen the implications of their actions if they decided to take a stand again.

Other leaders said people in Paarl were very "unhappy and angry" over the decision.

Many friends and family members of the accused had taken the day off from work to attend the proceedings and after they had been told to leave the court, crowds formed in the corridors

of the building.

The magistrate, Mr G Rossouw, refused an application that the case be not held in camera. Quoting from the Criminal Procedure Act, No 51 of 1977 article 3 (4), he said the presence of members of the community was not "necessary in connection with the proceedings".

The Act stipulates that when an accused at criminal proceedings is under 18 years, no per-

son, other than the accused, his legal representative and parent or guardian may attend the proceedings.

A Cape Town advocate, who may not be named for professional reasons, said that with regard to minors, the bread protesters case was very similar to the Mpetha Trial in the Supreme Court, Cape Town.

In the Mpetha trial Mr Justice Williamson authorised the general public to be present even though a number of the accused were minors.

He said the case was "obviously one of great interest and concern" to that section of the community living in the general area where the incidents giving rise to the charges took place.

"The crush of spectators both inside and outside of court speaks eloquently enough of this," he said.

In addition every single one of the accused and the guardians of the young people wanted the trial to be held in open court.

Mr Justice Williamson said it would be wrong for him in that situation to force a "sort of semi-private trial on all 19 of the accused where not one of them wanted it".

Paarl's chief magistrate, Mr J. T. P. Swart, declined to comment on the matter.

● See page 5.

Bread protest

called off

15/12/82
Mercury Reporter

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A MARCH planned for today from Grey Street to the Durban City Hall to protest against the recent bread price increase has been called off by the organisers, a group of organisations including the Natal Indian Congress, because Durban's Chief Magistrate had refused permission.

Dr Farouk Meer, acting president of the NIC, said it had been planned to have about 1 000 people of all races taking part in the procession to the City Hall where it was intended to ask the Mayor, Mrs Sybil Hotz, to head a petition calling for lowering of the price of bread, staple food of countless families.

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SA wheat

use ^{from} _{14/10/32} growing

SOUTH Africa is likely to lose self-sufficiency and become a net wheat importer within five years, says the manager of the Wheat Board, Mr Denis van Aarde.

Self-sufficient in all but two of the past 12 years, and at times a substantial exporter, South Africa will come to rely on imports regularly as the population grows and eating habits change.

When self-sufficiency will end is hard to pinpoint, depending on how good the weather is from year to year, advances in crop technology and the area available for wheat.

Mr Van Aarde says that a realistic average for the South African crop would be 2 300 000 tons a year.

First hopes this season were for a 2 700 000-ton crop, but drought has brought this estimate down to 2 400 000 tons.

If a 2 700 000-ton crop could be achieved on a regular basis, self-sufficiency could be maintained for 10 years. — Reuter.

GENERAL NEWS

Wheat exports could cost SA R26-m

Wheat
SKW
26/10/82

By Hannes Ferguson,
Farming Correspondent

Wheat farmers face an export loss of at least R26 million this year.

The general manager of the Wheat Board, Mr D van Aarde, said in Pretoria that production had overtaken consumption and the board needed to export 200 000 tons at a probable loss of R130 a ton.

Storage of the surplus was not the answer because the cost — about R30 a ton — was prohibitive. This was mainly because of the high Land Bank interest rate resulting from recent policy decisions by the Department of Finance.

If the next season produces another above-average crop, storing of the present surplus would only increase the financial loss.

Another reason is that silos are still overflowing because the Railways cannot cope with last year's bumper maize crop. Co-op storage facilities exceed nine million tons, but no extra space can be made available for wheat.

Mr van Aarde said that at the present world wheat prices, a loss of R130 a ton could be expected on exports.

But from 1986 a shortage of wheat is expected. The bread subsidy would continue to boost consumption and South Africa would have to import the grain.

The landed price of imported wheat at present is R30 less than the local producer price, but improved world prices might reverse the trend.

It is even possible that South Africa could export wheat at a profit soon — as had happened in 1976 and 1977.

Bread boycott planned

Cape Times 26/10/82
Staff Reporter

OPPOSITION to the October 1 bread price increase was boosted on Sunday when a protest meeting in Guguletu voted to stage a one-week "symbolic" boycott of bread and flour.

Despite alleged attempts on Sunday to broadcast false information about the meeting, more than 500 people attended.

The boycott, from November 22 to 29, will be coordinated by a committee

formed by community, student, labour and women's organizations.

Sunday's meeting was called by the non-racial United Women's Organization (UWO), which has spearheaded the campaign in the Western Cape.

The meeting called on other organizations not represented at the meeting to mobilize members to join the boycott.

Attempts to advertise the meeting with a banner

and loudspeakers in Guguletu on Saturday morning were stopped by police.

UWO members said yesterday that on Sunday morning they received reports that a white panelvan had been moving around Guguletu, broadcasting a false venue for the meeting.

Despite this, 500 people attended the meeting, a UWO spokesman said — "an indication of the strength of feeling on this issue".

Bread protesters found guilty

Staff Reporter

TWENTY-TWO Paarl East "bread price protesters" were found guilty in the Paarl Magistrate's Court yesterday of having attended a gathering prohibited under the Internal Security Act on September 29.

Fifteen of the accused were fined R120 (or three months). At a previous hearing, the magistrate, Mr G Roussouw, ordered that the trial be held in camera as seven of the accused were minors. One minor received a sentence postponed for four years while sentence on the other six was postponed to November 29.

On October 12, the 22 accused pleaded not guilty to a charge of attending an illegal gathering at "Gabby's Corner" near Lady Grey and Jan van Riebeeck streets in Paarl. They had staged a protest march against the increase in the price of white and brown bread.

Mr G J Badenhorst appeared for the State. Miss Y S Meer represented 11 of the accused. Mr E Mohammed appeared for the other 11 accused.

- Ceteris Paribus
- Price
- Function
- Inferior Good
- Substitutes
- Complements
- Perfect Competition
- 'Rise' in Demand (or Supply)
- 'Increase in Quantity Demanded' (or Supplied)
- Equilibrium
- Maximum Price
- Minimum Price
- Rent Control
- Minimum Wages Legislation
- International Trade
- Transport Costs
- Tariff
- Economic Rent.

Bread boycott tastes success

Staff Reporter

THE one-week symbolic boycott of bread which ended last night has had almost total success in the Peninsula's black townships.

Bakers were yesterday talking in terms of a 25 to 80 percent drop in sales in the African townships of Nyanga, Langa and Guguletu.

And a spokesman for the Western Cape Traders' Association (WCTA), which mainly represents traders in the Indian and coloured townships, said there had been a "significant drop in sales" in these areas.

'Effective'

Coloured townships where the boycott was most effective were Manenberg, Bishop Lavis and Bonteheuwel, the spokesman said.

The boycott was initiated on October 24 at a Guguletu mass meeting called by the United Women's Organization in protest against the increases of 20,7 and 26,2 percent in brown and white bread respectively.

A committee on which various community, worker, student and women's organizations were represented was established to co-ordinate the campaign.

A spokesman said yesterday the committee was "satisfied" with the success of the campaign and that, through the boycott, "the unity of the people has been revived".

'Police escort'

Shopkeepers in the townships had stuck to their agreement with the committee not to sell bread despite an almost daily police escort for vans attempting to deliver bread in Nyanga, Langa and Guguletu.

The three major bakeries supplying Nyanga, Langa and Guguletu all reported significant drops in sales during the week.

A spokesman for Enterprise, the main supplier in Nyanga and Guguletu, said sales had dropped by "75 to 80 percent".

Duens, which supplies Langa, experienced a drop of "about 25 percent", a company spokesman said.

'No drop'

A spokesman for Silverleaf Bakeries, which supplies Langa and Guguletu, initially said there had been "no drop", but later said there had been a "noticeable decrease".

A WCTA spokesman said he found it "interesting" the boycott was strongest in the working class townships.

"The government must take heed of this. They are spending millions of rands on military mobilization and are taking bread from the mouths of the people to pay for this.

"There must be bread before bullets," he said.

Bread boycott support varies across Natal

3Wheat
8/12/82

Mercury Reporter ~~the~~ said the marked drop in A NUMBER of trading stores in Northern Zululand have come out in support of the bread boycott by refusing to stock white bread, causing a drop of about 18 percent in bakers' bread orders. Mercury

And near Stanger recently a bakery's van was waylaid by a crowd objecting to its supplying white bread to a local store. 3Wheat

This was revealed in a survey undertaken by the Mercury yesterday to measure the extent of the white bread boycott initially introduced by Inkatha. 8/12/82

A spokesman for Richards Bay Bakery said the effect of the boycott was 'fairly' dramatic with 'certain of our black customers' not taking any white bread at all.

The assistant manager of Stanger's Betta Bread Bakery, Mr T Stansell,

said the marked drop in white bread sales came before the boycott, but admitted it was having a 'slight effect'.

He said shops in the rural areas were wanting white bread but because of threats that had been made to the firm's van drivers it had been difficult to supply them.

Mr Stansell said recently a driver had been mobbed and the police had to be called in to rescue him.

A police spokesman said by the time the police had arrived the crowd had dispersed.

However, it appears that the boycott has not been taken up in any significant way in the Natal Midlands or South Coast areas.

A spokesman for Godwin's South Coast Bakery at Port Shepstone said there had been initial resistance to white bread at the time of the bread price increase but the situation had soon reverted to normal.

In the Midlands, Checkers' regional general manager, Mr John Snyman, said the swing to brown bread experienced after the price increase was being maintained in certain areas.

Meanwhile, the general manager of Pick 'n' Pay, Mr Colin Clarke said that the company's bread subsidy would still run up until Christmas and might continue to the end of the month.

**80 000
sign
bread
petition**

Mercury Reporter

A PETITION protesting against the recent bread price increase launched by the Durban-based Bread Committee — an ad hoc group representing community organisations, trade unions, student and church bodies — has collected 80 000 signatures.

A Bread Committee spokesman said the petition, which had been circulated to the country's major cities, was presently being collated and would be sent to the Minister of Finance, Mr Owen Horwood, in the New Year.

The petition condemns the September price increases — which raised the price of brown bread from 29c to 35c and white bread from 43c to 53c — as 'totally unjust'.

Staple

It also criticises the Government for slashing the bread subsidy at the same time as it introduced the GST increase.

The petition said that since 1971 the price of brown bread had gone up four times and white bread five times.

As bread was the staple food of most South Africans and because many lived below the bread line, the price hike would cause greater hardship and increased hunger and malnutrition, the petition concluded.

3 Wheat

~~27/12/72~~

Mercury 27/12/72

WHEAT

1983

JANUARY — DEC.

Auditors check wheat 'fraud'

By MAURITZ MOOLMAN

AUDITORS of Central West Agricultural Co-operative in Bloemfontein are investigating complaints by farmers that they have been underpaid for wheat delivered to the co-operative.

Allegations of fraud by employees of the organisation involving grain worth R1-million have been made to newspapers.

A meeting is to be held in Bloemfontein today between farmers and Central West management to discuss the issue.

But Mr Frans Laubscher, director of Central West and deputy chairman of the local farmers union, said yesterday the fraud allegation was "premature" because the investigation had not yet been completed.

He also discounted claims that grain worth R1-million was involved.

"We have started an inter-

nal investigation after a number of farmers have complained about amounts paid to them. The allegation that R1-million is involved is ridiculous, because that would constitute the full volume of the grain silo."

Mr Laubscher said, however, if the result of the internal investigation suggested that fraud had been committed in any way, the matter would be referred to the police.

He said today's meeting had been called by the co-operative to reassure farmers that Central West were looking after their interests.

The investigation follows several convictions for fraud committed by a number of agricultural co-operative employees in the Western Transvaal and the Free State over the past few years.

By manipulating weighing scales, employees credited farmers with less than the volume of grain brought in.

QUESTIONS UNDER NAME OF MEMBER

Voorrekkers.
Landbou-unic/-vereniging
Wes-Kaaplandse Jeugtrus-
Wes-Randse Kunstvereniging.
Wes-Transvaalse Natuur-
Skeikundervereniging.

Wilderness Leadership School.
Wildlife Society.
Young Men's Christian Associa-
tion.

Nature of Projects	Number of Projects	Grant (Rand)
Plastic arts	4	572
Music	11	2 455
Literary art	17	576
Philosophy of life	67	10 911
Human relations	7	1 136
Acculturation of immigrants	19	26 736
Leadership	85	17 826
Human Sciences (not classified)	26	4 229
Nature directed	63	19 717
Natural Sciences (not classified)	57	806
Family education and Homemaking	26	2 474
Total	330	87 438

(2) Yes.

(b) and (c)

Organisation	Nature
Deo Gloria Teologiese Vereniging	Religious
Tygerbergse Kinderkoor	Choir practice
Vrysaanse Raad vir Kultuurbevoeding	National Safety
Kontak	Exhibition
Nederduitsch Hervormde Jeugvereniging	Sex guidance
Nederduitsch Hervormde Jeugvereniging	Religious
Studenteieiding, U.O.V.S.	Leadership training

Importation of dairy/meat/wheat products
11/3/83
508. Mr. D. J. N. MALCOMESS asked
the Minister of Agriculture:

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

(a) R7 412 896 (1 March 1982 to 28 February 1983).

(b) No permits were issued during the period 1 March 1982 to 28 February 1983.

(c) R24 569 699 (1 October 1981 to 30 November 1982).

Export of deciduous fruit 11/3/83
510. Mr. R. W. HARDINGHAM asked
the Minister of Agriculture:

(a) What were the proceeds from South African exports of deciduous fruit in each of the latest specified three years for which figures are available and (b) what was the highest relevant figure for any specified year prior to the years referred to above?

The MINISTER OF AGRICULTURE:

(a) Gross proceeds:
1979/80 R245,1 million
1980/81 R201,4 million
1981/82 R364,0 million
(b) Gross proceeds:
1978/79 R206,4 million

Andrew, Mr. K. M.—

Community Development, 379.
Co-operation and Development, 96, 105,
203, 273, 274, 488, 578, 579, 602,
603.

Defence, 602.

Education and Training, 101, 155, 156,
195, 196, 479.

Foreign Affairs and Information, 63.

Health and Welfare, 575.

Internal Affairs, 276, 427, 512, 513.

Law and Order, 496.

Posts and Telecommunications, 623, 624.

Barnard, Dr. M. S.—

Co-operation and Development, 535.
Education and Training, 480.

Foreign Affairs and Information, 189.

Health and Welfare, 28, 87, 99, 100, 109,
138, 139, 231, 249, 250, 274, 304,
393, 400, 473, 474, 500, 589, 590,
626.

Internal Affairs, 425.

National Education, 190.

Barnard, Mr. S. P.—

Community Development, 55, 311, 409.
Co-operation and Development, 87.

Finance, 312, 408, 495, 557.

Foreign Affairs and Information, 116.

Industries, Commerce and Tourism, 312.

Law and Order, 4, 97, 517.

Transport Affairs, 408.

Bartlett, Mr. G. S.—

Transport Affairs, 49, 50, 56, 77, 78, 79,
125, 212, 214, 306, 307, 331, 333,
339, 340, 341, 343, 344, 345, 346,
361, 362, 363, 365, 369, 554.

Boraine, Dr. A. L.—

Co-operation and Development, 287, 493.
Foreign Affairs and Information, 492,
574.

Internal Affairs, 621.

Law and Order, 431, 520.

Manpower, 17, 33, 34, 83, 482, 526.

National Education, 150, 560.

Cronje, Mr. P. C.—

Community Development, 457, 459.

Constitutional Development and Planning, 230.

Finance, 196.

Health and Welfare, 273.

Internal Affairs, 318, 459.

Dalling, Mr. D. J.—

Community Development, 13, 186, 607.

Constitutional Development and Planning, 115.

Co-operation and Development, 12, 246,
543, 607, 608.

Environment Affairs and Fisheries, 187.

Foreign Affairs and Information, 14, 130,
139, 141, 279, 300, 302.

Health and Welfare, 247.

Internal Affairs, 184, 200, 246, 508, 509,
609.

Justice, 22, 199, 301, 356, 402, 460, 461,
467, 468, 483, 484, 613, 614.

Law and Order, 171, 222, 224, 292, 568.

National Education, 23, 281, 389, 396,
397, 403, 536, 544.

Posts and Telecommunications, 48, 111,
116, 328.

Eglin, Mr. C. W.—

Community Development, 146, 181, 197,
233, 253, 278, 348, 432, 433.

Constitutional Development and Planning, 70.

Co-operation and Development, 203, 529.

Foreign Affairs and Information, 243,
592, 611.

Internal Affairs, 256, 428.

Law and Order, 262, 349, 575, 598.

PRICES RISE FASTER THAN DOUGH

BREAD PRICES AND SUBSIDIES

Another bread price increase was introduced as from October 1st, 1982. The resulting 33c for brown bread and 40c for white bread is a far cry from the 9c paid for a loaf of bread ten years ago. Since April last year, the prices of brown and white bread have risen 119 per cent and 104 per cent respectively, a rate of increase of about six times faster than the inflation rate.

When the 1 per cent rise in general sales tax (GST) was introduced early last year, the cries for bigger subsidies for essential foods were ignored in favour of a R49 million cut in the bread subsidy. This in fact resulted in a direct increase in the bread prices.

'Farmers, millers and bakers need to offset the cost increases they have borne for some time' was the reason given for the increase in the price of bread by the general manager of the Wheat Board. Although wheat farmers stand to benefit from a subsidy (lower prices result in increased consumption), he stated that 'Most of the 26 000 wheat farmers would like to see the subsidy done away with entirely, since they get no direct benefit from it, and many believe it prejudices the government when it comes to granting them the annual wheat price increase'. (Cape Times - 7/9/82 and 24/4/82).

Any increase in the price of bread has staggering repercussions on the welfare of the poor members of the community. As bread is the staple food of most South Africans and as many live below the bread line, the price hike will directly increase hunger and malnutrition.



BREAD AS A NUTRITIONAL INSTRUMENT

For decades the government has attempted to use bread as a nutritional instrument, by means of subsidization, standardization of bread make, and the introduction of enriched bread. The concept of a bread subsidy arose during the early years of World War II (to counteract price increases). The subsidy was initially paid to producers, millers and bakers, but from 1977 only bakers received it.

At the outbreak of the war (WW II) the shortage of wheat forced the Smuts government to introduce a compulsory standard loaf made from unsifted meal.

During the election campaign of 1948, the Nationalists promised that white bread would be made available again should they be voted to power. They were elected and duly fulfilled their promise. To reduce wheat imports and to encourage consumption of brown bread, a special subsidy was introduced.

Brown bread consumption subsequently rose from 8 per cent to 20 per cent of total bread consumption.

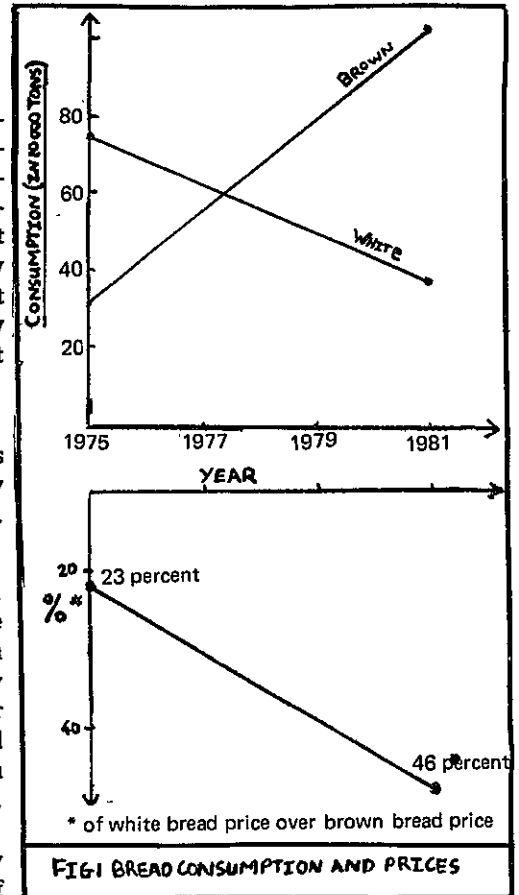
A specially subsidized enriched loaf was introduced in 1952 but although it was shown that poor consumers bought relatively more enriched bread the Wheat Board insisted that this programme was a failure. They argued that, 'brown bread is consumed almost exclusively by the well-to-do-classes', and suggested that the authorities should provide nutritional education rather than pay subsidies. The subsidy was abolished, and consumption of enriched bread decreased.

SOME FACTS

* Figure 1 illustrates the point that prices have been a major factor (rather than the increasing awareness of nutritional content) in increasing the consumption of brown bread.

* Taken as a whole, blacks consume more than half of all wheat products.

* A survey conducted by the Bureau of Market Research in 1975 revealed that the ratio of consumption of brown bread to the consumption of white bread was virtually identical in black and white households.



* Another finding was that black households' consumption of bread as a proportion of total household consumption was increasing.

The above evidence not only disproves the conventional belief that whites eat more brown bread and therefore stand to gain more from differential subsidies, it also shows that intelligent government subsidization of wheat products could have a marked effect on the household economics of the poorest South Africans.

This is possibly the appropriate place to introduce a question that is seldom asked. Why is it that economists in South Africa spend so little time considering the practical aspects of bad distribution and pricing while they spend so much time ruminating over gold and stock prices and foreign investment? If they really had the country as a whole at heart, they would surely see that certain simple policies such as bread subsidies could have a marked effect on the nutritional status of a huge portion of South Africa's 'workforce' and thus productivity. This is simple economics (not just compassion).

by Ruth Katzen

(b)

Industry	Number of contracts registered	Whites	Coloureds	Asians
Aerospace	118	—	—	—
Automobile	71	48	—	5
Building	366	593	—	137
Coalmining	80	1	—	15
Diamond cutting	3	—	—	—
Electricity supply	192	3	—	11
Explosives and allied industries	83	4	—	1
Furniture	20	75	—	17
Government undertakings	292	72	—	2
Hardwearing	301	25	—	3
Jewellers and goldsmiths	12	14	—	1
Local Authority undertaking (Northern-Transvaal)	64	—	—	—
Metal	3 894	807	—	426
Mining	1 577	22	—	2
Motor	1 567	386	—	178
Printing	332	147	—	42
S.A. Transport Services	1 640	—	—	4
Sugar manufacturing and refining	28	13	—	32
Tyre and rubber	19	9	—	2

~~338~~ Howard Q. 61. 787 -
Internal Security Act 788
24/3/83
552 Mrs. H. SUZMAN asked the Minister of Justice:

- (1) Whether any notices in terms of (a) section 5(1)(e) and (b) section 9(1) of the Internal Security Act, No. 44 of 1950, (i) were issued, (ii) were withdrawn and (iii) expired in 1982; if so, how many in each case;
 - (2) whether any notices which expired were renewed; if so, how many;
 - (3) how many notices in terms of each of these sections were of effect as at 31 December 1982?
- The MINISTER OF JUSTICE:
- The information furnished in (1) and (2) below is in respect of the period 1 January 1982 to 1 July 1982.
- (1) (a) (i) No.
 - (ii) No.
 - (iii) No.

~~338~~ Howard Q. 61. 789 -
Discharge of industrial effluent
569 Mr. B. W. B. PACLE asked the Minister of Environment Affairs and Fisheries:

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

The MINISTER OF ENVIRONMENT AFFAIRS AND FISHERIES:

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

~~338~~ Howard Q. 61. 789 -
Teacher training institutions
601 Mr. S. S. VAN DER MERWE asked the Minister of Internal Affairs:

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

The MINISTER OF INTERNAL AFFAIRS:

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

~~338~~ Howard Q. 61. 790 -
Deciduous fruit
609 Mr. H. ARONSON asked the Minister of Agriculture:

- (1) (a) and (b) No. (i) and (ii) Fall away
- (2) (a) 4 061.
- (b) 2 523.

The MINISTER OF INTERNAL AFFAIRS:

- (1) (a) and (b) No. (i) and (ii) Fall away
- (2) (a) 4 061.
- (b) 2 523.

The MINISTER OF AGRICULTURE:

1981 82: R 364 0 million.

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

~~338~~ Howard Q. 61. 790 -
Agricultural products: subsidies
610 Mr. H. ARONSON asked the Minister of Agriculture:

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

The MINISTER OF AGRICULTURE:

- (a) Maize, butter and standard bread as well as brown bread meal and whole wheat meal in packages of 5 kg and less
- (b) Maize 1084 R7
- Butter R82 950 000
- Bread and meal in small R3 210 000
- packets R191 960 000

SA wheat

farmers

(B) wheat
push for

new n/d
price rise

Own Correspondent

BLOEMFONTEIN — Proposals for a new producers' wheat price will be formulated at a meeting of the National Wheat Committee in the Cape next week.

Mr Jan Schutte, the chairman of the committee and the Free State Agricultural Union's Wheat Commodity Organisation, said the nature of the proposals to be put to the Minister of Agriculture could not be disclosed yet.

The hopes of the wheat industry are pinned on the Western Cape at present.

INSUFFICIENT RAIN

In the Free State, which is responsible for 56 percent of the national wheat crop, the lack of sufficient rain has put paid to wheat farmers' hopes.

"As matters stand at the moment, I don't expect a crop in the province at all," Mr Schutte said yesterday.

There were only isolated cases of farmers running the risk of losing out on production costs, like fuel and fertilizer, by planting already, he said.

While areas around Bloemfontein, Bultfontein and Brandfontein had good rainfalls recently, most of the Eastern Free State had recorded only between five and 10 mm.

DE GRUYTER
 ③ wheat ~~1479~~ ¹⁴⁸⁰ Bread ^{8/6/83}
 *4. Mr. S. P. BARNARD asked the Minister of Agriculture:†

How many standard loaves of bread were baked by bakeries in the Republic in the latest specified period of 12 months for which figures are available and (b) what is the amount of the subsidy paid thereon by the State?

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

(a) White.....	424 233 673
Brown.....	1 006 104 216
Whole-wheat.....	38 640 133
Compound.....	5 120 308
(b) White.....	R 20 245 686,79
Brown.....	R146 907 354,46

→

Y, 8 JUNE 1983

1480

Whole-wheat.....	R 5 628 177,80
Compound.....	R 548 372,00

*5. MR J. H. VISAGIE.—Justice—Reply standing over.

Mount Road police station, Port Elizabeth

*6. Mr. D. J. N. MALCOMESS asked the Minister of Community Development:

- (1) Whether cells are being constructed at the new Mount Road police station in Port Elizabeth; if so, how many;
- (2) whether any of these cells are being constructed below ground level; if so, (a) how many and (b) why?

~~2024~~ 3 desk ~~106~~

ARGUS 28/6/83

'R26-m bread mistake'

Parliamentary Staff

THE official Opposition in the Assembly has called for an investigation of the bread subsidy system.

The move follows disclosures about an "inexplicable" error which resulted in unauthorised expenditure of nearly R14-million by the Department of Agriculture.

A Government explanation that the mistake was caused by "technical reasons" was described by Mr Andrew Savage (PFP Walmer) as "entirely unsatisfactory".

Mr Harry Schwarz (PFP Yeoville), the chief Opposition spokesman on finance, said there had been an error involving R26-million and so far nobody had been able to explain how the error arose.

Speaking in the second reading debate on the Finance Bill, he said it was now argued by the Gov-

ernment that in those circumstances the matter had to be ratified. But R26-million in terms of a bread subsidy meant many loaves of bread.

"The whole system relating to the bread subsidy needs to be investigated because one cannot allow this kind of error," Mr Schwarz said.

Mr Savage said that in March last year the Department of Agriculture had investigated "sudden indications" that there would be a substantial increase in bread sales.

The department found that a R26-million cost over-run could be expected in the bread subsidy for the 1981/82 year, which had already elapsed. Payments of the subsidy were based on bread sales.

Mr Savage said the department's accounting and statistical work was done on its own computer — one of the biggest



Mr Andrew Savage

in the country.

The department "suspected" that the error happened in August, was carried forward in projections, and was not even picked up in November when statistics had to be furnished for the reviewed budget.

Even by mid-February 1982 — at the end of the financial year — there was still no indication of excess expenditure.

The Treasury had determined that the

amount had to be regarded as unauthorised expenditure. The department had managed to reduce it to R13-million after a "frantic search for any small change lying around".

Evidence before the parliamentary select committee on public accounts had indicated that there were certain difficulties inherent in estimating the amount of the bread subsidy.

The explanation of the director-general of the department, Dr D W Immelman, was that an "inexplicable" error of calculation of about 10 percent had happened.

"Perhaps the most extraordinary aspect of all is that we are told that the person who was working on the matter could unfortunately not be questioned because he had resigned early in December," Mr Savage said.

"Now R26-million of public money has gone without a trace and we cannot get hold of an employee and ask him some questions about it"

Mr Savage said nobody could be satisfied with the "grotesque" explanation which had been given

Mr George Bartlett (NRP Amanzimtoti) said the matter gave cause for "considerable concern" as the bread subsidy came from taxpayers' money and totalled about R90-million

Replying, the Minister of Finance, Mr O P F Horwood, said the matter of the bread subsidy had been thrashed out in the select committee and agreement had been reached

As far as he was concerned the matter had been dealt with satisfactorily. There had been no overpayments and no irregularity

③ Wheat LHM 28/6/83

Mystery over R26m for bread subsidy

By CHRIS FREIMOND
Political Reporter

HOUSE OF ASSEMBLY. — The Department of agriculture overspent its bread subsidy by R26-million 15 months ago and can still not account for the money, Parliament heard yesterday.

Speaking during the debate on the Finance Bill, Mr Andrew Savage (PFP Walmer) said the Director General of the Department, Dr D W Immelman, had told the Select Committee on Public Accounts which investigated the over-expenditure that the matter was "inexplicable".

The department suspected that a computer error occurred in August, 1981, but only the following March was there an indication of the overspending.

The explanation was "entirely unsatisfactory" even to the officials who made it in evidence to the select committee, Mr Savage said.

"This comes through clearly in the evidence. To quote Dr Immelman again, what he says is that because the error which crept in was approximately 10%, the suspicion exists that it originated in a misunderstanding concerning the weight in kilograms and the number of loaves.

"When pressed to explain how a misunderstanding of this nature could occur when both the weight of the wheat and the number of loaves is known, the doctor replied that it was quite inexplicable," Mr Savage said.

"This is 15 months after it all happened. There is an unauthorised expenditure of R26-million and we are told: 'You will understand why the suspicion now exists that an error crept in with the kilograms,' that gives a sinister character to these kilograms and this error.

"Surely more than a year later we should know the facts and we should no longer be concerned with suspicions," Mr Savage said.



MR OWEN HORWOOD
"no irregularities"

He said perhaps the most extraordinary aspect of all was that the select committee was told that the official in the department who had dealt with the matter resigned in December and could not be questioned about the matter.

"Twenty-six million rand of public funds have disappeared into thin air and we cannot get hold of the individual who was very intimately concerned with the whole issue to ask him some questions about it.

It was clear that the department did not know and probably would never know how the problem occurred.

"There is a more sinister explanation and that is that someone does know and will not say," Mr Savage said.

The state of the department's accounting situation gave cause for serious alarm.

The department had its own computer for accounting and statistical work. The computer was said to be one of the biggest in the country.

The evidence to the select committee painted a "frightening" picture of people playing "dangerous games" with a technology they did not understand.

"One gets the impression that the department gazes at this machine, its magic computer, like Snow White's stepmother, saying: 'Mirror mirror on the wall send me another financial windfall,'" Mr Savage said.

Nobody could be satisfied with the "grotesque" explanations that had been given.

The Minister of Finance, Mr Owen Horwood, said in the debate that his information was that the matter had been "fully thrashed out" in the select committee and that there had been no overpayment of producers, or retailers and "no irregularity whatsoever per se".

"I am at a loss to understand why this matter, which arose from an unfortunate technical error, should now be suddenly brought up in this House as if all sorts of things were wrong and as if there was no agreement in the select committee."

The Minister of Agriculture, Mr Greyling Wentzel, said his Department had issued clear instructions that bread consumption be monitored on a daily basis.

"This is being applied very strictly and I accept full responsibility for this but it must be remembered that the consumption of bread varies from day to day," the Minister said. — Sapa.

The Bill was read a second time.

Another bread price increase is on the cards

3 wheat

By GERALD REILLY
Pretoria Bureau

ANOTHER increase in the price of bread is considered certain from the beginning of October, unless the Government is prepared to raise the subsidy, it was learnt in Pretoria yesterday.

The prices of all basic foodstuffs administered by the Government — dairy products, mealie meal and sugar, among them — have been raised this year.

Last month wheat producers met officials of the Department of Agriculture to discuss increased production costs of the previous 12 months.

Against this background the SA Agricultural Union is expected to recommend a price increase of between 12% and 15% at a meeting of the Wheat Board scheduled for July 21.

Sources said the Government has committed itself to limiting price rises to 10% or less.

But, they say, even if the producers get 10% an increase in the bread price would be justified when the expected increases in bakers' and millers' margins are also taken into account.

The manager of the Wheat Board, Mr. Denis van Aarde, said a crop of about 1 500 000

tons was expected this year. That was about 400 000 tons less than was needed to meet the local demand.

However, the board, because of the destructive effects of the drought, stopped exports at the beginning of the year.

Because of that the board expected a carry-over into the new season of about 1 000 000 tons.

Mr Van Arde said it was unlikely, therefore, that South Africa would have to import wheat during the coming season.

Commenting on the possibility of another bread price increase, the Progressive Federal Party's spokesman on consumer affairs, Mr Harry Schwarz, said spiralling food prices were placing an unbearable burden on thousands of families.

"The Government must act urgently to cheapen basic foods by lifting GST and channelling more funds to food subsidies," he said.

Mr Schwarz warned that the rise in the prices of farming products had only just begun.

The full impact of the drought would be reflected in rising prices during the remainder of this year and in the first half of next year.

Bread price certain to rise

*3 wheat
Mercury
22/7/62*

PRETORIA—The bread price is set to rise following a recommendation for a substantial increase in the price of wheat submitted by the Wheat Board to the marketing council here yesterday.

Although the Government is expected to cut the recommendation to 10 percent or less, there is certain to be a price rise, and this will lead to an increase in the bread

Mercury Correspondent

price from October 1.

The general manager of the board, Mr Denis van Aarde, said earlier this week that a higher price was the only alternative if the Government refused to increase the R200 million-a-year bread subsidy.

The Government, other sources pointed out, was committed to a policy of

keeping administered price increases below 10 percent.

So far this year the maize price has been raised by just over 9 percent and the sugar price by 7 percent. Dairy product prices were also kept down.

So it is expected that wheat farmers will get the same treatment.

However, even if the increase is kept below 10 percent, when the price of bread is determined, the increases in margins expected to be granted to the baking and milling trade must also be taken into account.

Sources pointed out the Government was unlikely to agree to raising the subsidy to fully compensate for the higher wheat price.

UJGT

Eastern Cape due for a wheat boom

3 wheat 15/7/83

By STEPHEN ROWLES

THE Eastern Cape could be in for a boom in wheat production in the next few years, and preparations are already being made for the increased tonnage.

The Eastern Cape, though a small producer compared with the Swartland and the Free State, has recorded significant production increases in recent years, and a boom is expected in the Alexandria and Paterson districts when the Fish River/Lake Menz irrigation project comes on stream in three to five years.

Production could double by the end of the decade, according to the public relations officer of the Eastern Cape Agricultural Union, Mr Lourens Schoeman.

Already producers are preparing for increased production, with a 19 500-ton silo under construction at Humansdorp. The R2,57 million silo should be able to accept grain at the beginning of October.

Now in the planning stage is a 30 000-ton silo in Paterson and if production does increase as planned, a

20 000-ton silo could be built in Alexandria.

According to the product manager of the East Cape Agricultural Co-operative in Queenstown, Mr H Oaks, there has been a steady increase in production in the Alexandria/Paterson district.

In the 1972/73 season, 3 200 tons were produced. This had improved to 5 700 tons in the 1977/78 season. There was a bumper crop of nearly 24 000 tons in the particularly wet 1981/82 season, and 19 360 tons in the 1982/83 season.

Farmers had planted for an expected crop of 26 000 tons, but this would depend on rainfall.

Mr Oaks said the co-operative was engaged in a feasibility study of both the production and handling of wheat.

He said the psychological impact of the construction

of silos and the implementation of the Fish River irrigation scheme could lead to a swing away from dairy farming to wheat.

Mr J W Loubser, the manager of the Humansdorp Co-operative, said if there was a good crop, production in the Humansdorp area could see a 25% increase over last year's figures. About 11 000 tons were produced in 1981, followed by 13 000 tons last year. If good rain fell there could be a crop of 16 000 tons this year.

Mr Loubser said the climate and soil in Humansdorp were ideal for wheat production.

"When the new silo is completed I expect more farmers to swing to wheat," he said.

However, this would not displace other farming activities because unused land would be used for wheat production.

R25-m

w/1-Argus 9/7/83

wheat

3 Wheat

is lost

Weekend Argus
Reporter

WHEAT worth about R25-million has been lost because of heavy rain in the Swartland and some farmers fear up to 50 percent of their crops could be lost if rain continues to fall in the next few weeks.

Mr Peter Robertson, chairman of the Western Cape Agricultural Union, said rain which had fallen in the past few days would affect the crop.

He had received reports from some farmers who said they had already lost 15 percent of their crop.

"Breadbasket"

A spokesman for a co-op said it was still too early to say how much damage rain and cold weather had caused in the Swartland — known as the "breadbasket of the Cape".

He was optimistic that the cold temperatures of the past few days would not cause much damage as much of the wheat was still in the germination stage; but said more rain would "seriously affect" the harvest.

Plea to Govt on bread subsidy

3 Wheat Mail Correspondent 23/7/83

MARITZBURG. — THE president of the Housewives League, Mrs Joy Hurwitz, yesterday appealed to the Government not to drop bread subsidies until the current recession has ended.

Mrs Hurwitz was reacting to reports that the price of bread would rise in the wake of higher wheat prices from October 1 unless the Government increased its R200-million yearly subsidy on the selling price of standard loaves.

She said for various reasons South Africa was already burdened with one of the highest wheat prices in the world while the quality of the grain was among the poorest.

On the positive side, however, a promise to her by the Minister of Agriculture that the prices of all basic foods would be held down to market related levels appeared to

have been kept so far, with only moderate increases to dairy and maize prices being approved.

Mrs Hurwitz said the League routinely investigated wheat prices and the profit margins of millers and bakers in anticipation of the yearly revision of bread prices in October.

However, they would be paying particular attention this year to the middle men who appeared to be making "quite a good percentage" on standard subsidised bread.

While she had no objection to bakers charging what they liked for non-standard "fancy" loaves, Mrs Hurwitz believed the Government should ensure that standard white, brown and wholewheat loaves remained accessible to the less affluent.

It would be a "disaster" if subsidies were phased out before the economic climate improved and the inflation rate dropped to single figures, she said.

State's final say in new bread price rise

Pretoria Correspondent

3 wheat
The price of bread is set to increase by about one-tenth unless the Government decides to absorb the costs by increasing the R200 million bread subsidy.

After a round of crucial meetings held by representatives of the Wheat Board and the milling and baking industries in Pretoria this week to determine new wheat, barley, oats and rye prices, it became clear that an increase was inevitable.

Mr Dennis van Aarde, general manager of the Wheat Board, said that costs had to keep up with constantly rising production and marketing prices.

The recommended increases had been referred to the Mar-

keting Council, which would scrutinise them before approaching the Minister of Agriculture.

Mr van Aarde said that if the Government decided it could not increase its subsidy, dearer bread would be "inevitable".

It would not only be an increase in the price of wheat which could affect the price of bread, but also the increasing cost of producing bread for the milling and baking industries.

Current price for a ton of A1 grade wheat is R275. An increase of one-tenth would push the price to about R303.

Current average price of bread is 53c a loaf of white and 36c a loaf of brown. A one-tenth price increase would take white to 58c and brown to 40c.

Another bread price rise likely

Pretoria Bureau

22/7/81
A RECOMMENDATION for a substantial increase in the wheat price was submitted by the Wheat Board to the Marketing Council after a meeting of the board in Pretoria yesterday.

Although the Government is expected to cut the recommendation to 10% or less, it is certain producers will get a price rise, and that this will lead to an increase in the bread price, from October 1.

The general manager of the board, Mr Denis van Aarde, said earlier this week that a higher price was the only alternative if the Government refused to increase the yearly R200-million bread subsidy.

The Government, other sources said, was committed to a policy of keeping administered price increases below 10%.

So far this year the maize price has been raised by just over 9% and the sugar price by 7%. Dairy product prices were also kept down to a level "unacceptable" to dairy farmers.

So it is expected that wheat farmers will get the same treatment.

However, even if the increase is kept below 10%, to be taken into account, too, when the price of bread is determined, is the increases in margins expected to be granted to the baking and milling trade.

THE MINISTER OF MINERAL AND ENERGY AFFAIRS:

If the present planning of Escom and of the Licensing Authority proceed according to schedule the No. 1 Unit at Koeberg will start to generate some power at the beginning of January 1984. Take-over by Escom, that is full power and commercial operation, is scheduled for mid-April 1984. In the case of Unit No. 2, the dates are mid-June 1984 and mid-September 1984, respectively.

[Handwritten signature]
Agricultural products: profits 26/8/83
Mr. J. J. B. VAN ZYL asked the Minister of Agriculture:†

Whether he is considering taking any steps in regard to the profit margin of the middleman as far as agricultural products are concerned; if not; why not; if so, what steps?

†THE MINISTER OF AGRICULTURE:

No. Only in the case of bread, flour and certain packings of butter and Cheddar and Gouda cheese the consumer's price and thus also the profit margin of the trade are controlled. Extension of such control to other agricultural products is not considered as, among others, the marketing systems are not suitable for such control. In addition, free competition as a general principle of the free enterprise system has already been accepted in the Republic and excessively high profit margins will normally be eliminated in the trade by free competition.

House loans: medical certificates

*4. Mr. S. P. BARNARD asked the Minister of Community Development:†

- (1) Whether his Department has received any representations regarding medical certificates in respect of sterility which are required by certain

building societies from applicants for house loans;

- (2) whether he will make a statement on the matter?

THE MINISTER OF COMMUNITY DEVELOPMENT:

- (1) No.
- (2) Falls away.

Casino activities

*5. Mr. S. P. BARNARD asked the Minister of Industries, Commerce and Tourism:†

- (1) Whether he intends taking any steps in respect of the involvement in casino activities of a business group in which the Industrial Development Corporation has interests; if so, (a) why, (b) when did the transaction take place and (c)(i) which companies are involved and (ii) in what way are they involved;
- (2) whether he will make a statement on the matter?

†THE MINISTER OF INDUSTRIES, COMMERCE AND TOURISM:

- (1) It was already announced on Monday, 22 August 1983, that the Government had decided in consultation with the Board of the Industrial Development Corporation that the interests of the IDC in Salfmarine, will be sold.
 - (a) On account of the business transaction whereby Salfmarine acquired a share in Newco with its extensive Casino interests. In cases where the Board of the IDC considers that the Corporation no longer has to play a development role or that the in-

volvement cannot be justified on strategic grounds, it is also the policy to dispose of such shareholding (interests), in particular where it can already be coupled to a continuous history of profits.

- (b) Details of the transaction were announced by the interested groups on 19 August 1983.
- (c) (i) and (ii) An interest of 50% was acquired in Sun Rennie by Salfmarine and Mr. Kerzner through a joint company in which they hold 49,9% and 50,1%, respectively, of the shares. Sun Rennie holds 75% of the shares in Newco.

Mr. H. H. SCHWARZ: Mr. Speaker, arising out of the reply given by the hon. the Minister, does the principle which he has announced here also apply to the two investment companies which are indirectly controlled by the Government through the Industrial Development Corporation, and which are also quoted on the Johannesburg Stock Exchange?

†The MINISTER: Mr. Speaker, in so far as they are wholly owned subsidiaries of the IDC, the same rule applies.

†Dr. H. M. J. VAN RENSBURG (Mossel Bay): Mr. Speaker, further arising out of the reply of the hon. the Minister, can he tell the House who the Directors of Salfmarine are?

†The MINISTER: Mr. Speaker, I should like to request the hon. member for Mossel Bay to lay that question upon the Table. [Interjections.]

Road traffic accidents

*6. Mr. R. A. F. SWART asked the Minister of Transport Affairs:

- (1) Whether his Department keeps statis-

tics of road traffic accidents; if not, why not; if so,

- (2) whether the sex of traffic offenders is recorded; if not, why not; if so, how many (a) males and (b) females were involved in road traffic accidents in the latest specified year for which figures are available;
- (3) whether he will make a statement on the matter?

†The MINISTER OF MANPOWER (for the Minister of Transport Affairs):

- (1) No. Statistics are kept by the Central Statistical Services of the Department of Constitutional Development and Planning and these are, *inter alia*, made available to the Department of Transport.
- (2) Falls away.
- (3) No.

Fuel prices

*7. Mr. J. J. B. VAN ZYL asked the Minister of Mineral and Energy Affairs:†

- (1) Whether, with reference to his reply to Question No. 5 on 19 August 1983, the cumulative losses which the oil companies agreed to bear themselves, were recovered from 19 August 1983 to 20 August 1983; if so, what amount in cumulative losses was recovered in this period; if not, what amount in cumulative losses had not yet been recovered as at 20 August 1983;
- (2) whether the (a) daily sales of fuel and (b) rate of exchange between the rand and the American dollar from 19 August 1983 to 20 August 1983 were of such a nature that the reduction announced in fuel prices could come in operation as early as 22 August 1983; if not, on account of which

Bread price likely to go up in October

(3) wheat RDM 579/83

By GERALD REILLY
Pretoria Bureau

A BREAD price rise at the end of the month is likely in spite of the fact that the Government has not increased the price of wheat from the start of the new season in October.

The general manager of the Wheat Board, Mr Denis van Aarde, said yesterday the bread price would have to be raised unless the Government agreed to increase the current R200-million bread subsidy.

The baking and milling industries, he said, had justifiable claims for higher margins. These would have to be covered either by a bread price rise or by a larger State subsidy.

Although it is not known when a bread price rise will be imposed — or its extent — it is likely to be from the beginning of October.

The price of wheat is to remain at R275 a ton.

In his Friday statement the Minister of Agriculture, Mr Greyling Wentzel, said the decision not to raise the price of wheat — made on the recommendation of the Wheat Board — would contribute substantially to "smaller bread price rises than would otherwise be necessary".

However, to assist farmers to face the financial consequences of big cost increases, and the crippling effects of the drought, R20 a ton would be paid to producers from the wheat reserve fund.

Mr Van Aarde said the fund now stood

at R144-million. The R20 a ton payment to farmers would cost R46-million.

But, he said, the fund was limited and could not be used every year to compensate farmers for higher production costs. The Government would have to strive to keep farmers' production costs down to a minimum, or higher producer prices would have to be paid.

Mr Van Aarde said the board had not asked for an increase in the producer price for three reasons: to help fight inflation, because there had been no increase in demand for wheaten products, and because of prices on international markets.

Economists said it could be the first time in 25 years that a control board had not asked for a price increase, and that other boards should follow the example of the Wheat Board.

THE size of the bread subsidy over the years has dramatically shifted the eating patterns of bread consumers, providing a direct link between the price of the bread and its consumption.

It has changed most white bread eaters into brown bread eaters.

Since bread is a basic and staple food for many of the poor — particularly the urban poor, its role in avoiding malnutrition could be crucial.

In 1974-75, when the subsidy of R35 700 000 was split into R18 700 000 on white bread and R17-million on brown about 738-million white loaves were sold and 378-million brown loaves were sold. In those days the price of a loaf of white was 20c and loaf of brown was 16c.

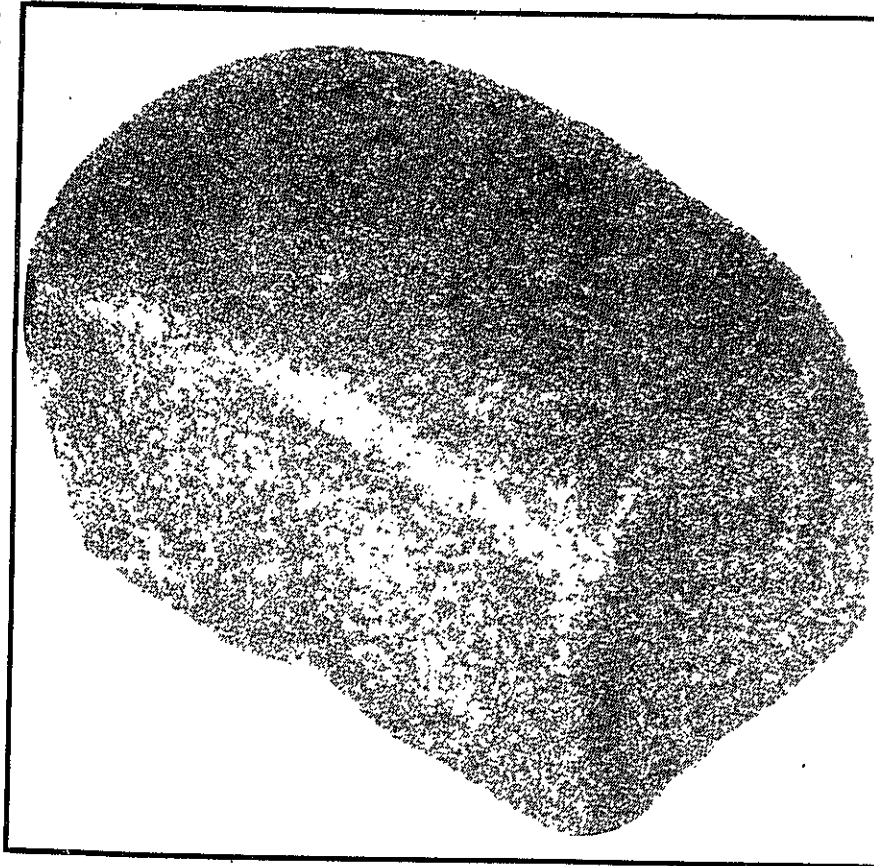
Around 1978 the Government decided to switch its focus from white bread to brown and provided R40 300 000 for brown bread and R5 400 000 for white. That year 900-million loaves of brown bread were sold and 379-million loaves of white were sold. The subsidy that year kept the price of brown bread down to 16c a loaf and white bread went up to 25c.

Till then the pattern had been that about 65% of bread consumed was white and the rest brown.

But 1982/83 estimates show that the R200-million subsidy, paid almost entirely on brown bread, shifted sales so that of the 1 600-million loaves of bread sold, about 75% were brown and 25% white. The price of the brown loaf was (and is for the time being) 35c with tax and a white loaf 53c with tax.

These figures illustrate dramatically that when the size of the subsidy alters the prices, eating patterns change radically.

This means if the Government were to reduce the subsidy — or allow costs to millers and bakers — and the price of brown bread moved up by 8c, consumption of brown bread would drop, a spokesman for Premier Group, one of the largest food companies in the country, said.



How the slice gets thinner and thinner

RDM 24/9/83
3 wheat 24

By PAT SIDLEY, Consumer Mail

For the very poor urban adults who may be malnourished, this could exacerbate their problems. According to researchers in the Community Health Department of the University of the Witwatersrand Medical School, malnutri-

tion in adults is mostly a combination of protein and energy deficiency. This is treated by increasing carbohydrates.

Mealie Meal would provide similar and sometimes cheaper nourishment and when times are hard and

cash is shorter than usual, the move tends anyway from bread to mealie meal.

The Wits research shows that for 100 kilojoules of mealie meal the consumer is likely to have to pay about 0,2c and for 100 kilojoules of

brown bread it would cost about 0,5c.

An increase in the cost of any basic food would exaggerate malnutrition and when fuel for cooking mealie meal is hard to come by, bread is an easy solution.

Over the years the subsidy has forced white taxpayers to transfer some of their incomes to black taxpayers — effectively a net income transfer from high earners to low earners.

This justifies the subsidy and is a reason to maintain it, Mr Peter Moll maintains in a research and policy paper produced for the South African Labour Development Research Unit (SALDRU).

This is born out by both Saldru's figures and the Wheat Board's quoted above.

Though it would seem the size of the subsidy has increased dramatically, it has in fact been dropping in recent years, Mr Moll's research shows.

This is reflected by the fact that the subsidy as a percentage of the Gross Domestic Product (GDP) was about 1,88% in 1980-81. The GDP then was R65 531-million. Between 1960 and 1970 however, the subsidy as a percentage of the GDP was between 1,15% and 2% and in the late 40s through 50s the subsidy represented between 2% and 5% of the GDP. (In 1947 a white loaf cost 7pence and a brown cost 6½pence.)

Whites in 1975 ate about R13,35 of bread in 1975 — and blacks bought about R5,47 worth per head in the same year. The average white eats more food anyway.

Despite the need for low prices for the poorer sections of the population however, farmers and on occasion the Wheat Board have asked the Government to drop the subsidy as they believe it is taken into account to their detriment when the wheat price is set.

This year the price of wheat did not rise at all and so it is quite likely there will be some pressure from this very powerful lobby at the very least not to raise the subsidy and possibly to drop it.

The consequences for the health of the nation would be severe.

Delay in bread ^{Wheat} 2-11-1933 decision

Pretoria Bureau

THE Government's decision on the new bread price may not be announced until later in the year to become effective from January 1 — well clear of any adverse impact a price increase could have on the referendum, according to Pretoria sources.

Wheat Board sources said yesterday it was too late for any price adjustment to be introduced from the start of the new season on October 1.

Other sources said a decision on whether the subsidy is to be raised should have been taken at today's routine Cabinet meeting.

This, however, had been cancelled because of the Cape congress of the National Party in George.

The earliest a decision could be taken is at next Tuesday's meeting.

The board would then need about two weeks to make the necessary adjustments, including the price adjustment, if the subsidy is not increased.

main

Wheat men expect ^{(3) wheat recovery} price war ^{3/10/83}

MELBOURNE— The world's major wheat producers are probably heading for a price and credit war over the next few years, according to Australian Wheat Board general manager Max Moore-Wilton.

He was commenting in an interview with Reuters on the prospects for selling Australia's 1983/84 wheat crop, which could reach a record 19 million tons given favourable conditions.

Moore-Wilton said although there had been a big cut in US corn and soya bean production that country still had extensive stocks of wheat and was likely to plant record acreages in the forthcoming season.

With Canada, Argentina and the European Community looking for very good crops, essentially the prospect is for an excess supply of wheat and demand is not buoyant, Moore Wilton said.

Areas

'Really the only areas where demand is increasing, if at all, is in the developing world.

'Many of the markets where there is either reasonable demand or increasing demand for wheat are only able to meet that demand providing they receive long-term credit facilities.

'Now that means, in an over-supply situation or an excess supply situation, we exporters are going to face these demands for excess credit which really do impose additional costs on us.

The AWB's latest esti-

mate is for a crop of from 18 million to 19 million tons in 1983/84 compared with 8.9 million in the previous drought-hit season.

Moore-Wilton said the size of the crop depended on growing conditions and stripe rust problems over the next three months.

The amount of wheat available for export, after transfer to build up stockpiles and for animal and human consumption will be least back to normal export performance at the 12 million to 13 million ton mark, he said.— (Reuter)

15/10/83 (3) wheat (3) (3) RDM
Flour price decreased to soften voters'

By GERALD REILLY

THE expected decrease in the prices of flour and meal on the eve of the November 2 referendum is seen as part of a package aimed at influencing voters to support the Government's "yes" campaign, political observers claim.

The price reduction is likely to come into effect on November 1.

So far, the "softening up" package includes the 12% increase for nearly one million public sector workers, a drop in the price of fuel, a delay in the announcement of a new bread price — and now lower meal and flour prices.

Although Ministers have firmly denied claims that the Government had any intention of influencing voters with

a string of concessions, "it won't do their campaign any harm", comments political scientist, Professor Willem Kleynhans.

It is understood that the expected price decreases have been made possible by lower interest rates for short term credit for the baking and milling industries to buy stocks of wheat, flour and meal.

Meanwhile, the Minister of Agriculture, Mr Greyling Wentzel, has confirmed the price of bread would not be raised "at this stage".

He indicated the Government was withholding a decision until there was an improvement in the economy.

Political observers take this to mean

that until the referendum was over, the Cabinet would accord the bread price issue low priority.

However, they point out that, although the price of wheat was not raised this year, the production and operating costs of the baking and milling industries had increased sharply.

So either the bread price will have to be raised or the Government will have to increase the R200-million bread subsidy.

However, if the Government had decided to raise the subsidy, it need not have feared a political backlash and therefore need not have postponed an announcement about the bread price.

Results at a glance

Drivers' world championship :

- 1, N Piquet, 59;
- 2, A Prost, 57;
- 3, R Arnoux, 49;
- 4, P Tambay, 40;
- 5, K Rosberg, 27;
- 6, J Watson, 22;
- 7, E Cheever, 22;
- 8, A de Cesaris, 15;
- 9, R Patrese, 13;
- 10, N Lauda, 12;

Constructors' world championship:

- 1, Ferrari, 89;
- 2, Renault, 79;
- 3, Brabham, 72;
- 4, Williams, 38;
- 5, McLaren, 34;
- 6, Alfa Romeo, 18.

Results of the AS Grand Prix:

- 1, R Patrese, Brabham-BMW, 1 hr 33 mins 25,708 secs;
- 2, A de Cesaris, Alfa Romeo, 1 hr 33 mins 35,027 secs;
- 3, N Piquet, Brabham-BMW, 1 hr 33 mins 47,677 secs;
- 4, D Warwick, Toleman, 76 laps;
- 5, K Rosberg, Williams, 76 laps;
- 6, E Cheever, Renault, 76 laps;
- 7, D Sullivan, Tyrrell, 75 laps;
- 8, M Surer, Arrows, 75 laps;
- 9, T Boutsen, Arrows, 74 laps;
- 10, J Jarier, Ligier, 73 laps;
- 11, N Lauda, McLaren, 71 laps;
- 12, K Acheson, March-RAM, 71 laps.

Fastest lap: N Piquet, 1 min 9,948 secs.
1982 fastest lap: A Prost, 1 min 8,278 secs.

Bread price rise may be delayed by referendum

By Hannes Ferguson.

A political ploy is said to be behind the delay of an increase in the bread price.

While production costs of wheat have increased by 11.7 percent, the Minister of Agriculture, Mr Greyling Wentzel, has kept the wheat price at the same level as 1982.

Now millers and bakers are calling for cost increase compensation to be included in the new bread price, but the announcement of bread prices has been postponed from October 1 until after the November 2 referendum.

According to sources in the Department of Agriculture, the bread subsidy is still being paid out to bakers at the tune of R200 million annually as originally budgeted for.

Because bread consumption has not increased, the subsidy fund is expected to last up to the end of March 31.

Wheat farmers complain that the new wheat price has been a purely political decision and that the bread price issue should be seen in the same light.

Not only the bread price but also the cost of food in the Consumer Price Index is regarded as politically sensitive.

Economists say the unchanged wheat and bread prices will create the false impression that the Consumer Food Index and the Consumer Price Index generally, has slowed down and that inflation has been mastered by State policy.

Saturday. Malcolm Sampson.

During the session. During the race, being plagued by an error, being overtaken by Renault of American on lap 67, but retaining place three laps later.

American, Danny Sargent, emerged as the winner within-the-race for American, bringing his Tyrrell to seventh place.

Who will replace Sargent in the Ferrari seat? Michele Alboreto, normally-aspirated Tyrrell until the Cosworth blew up in a big way on lap 59.

"Thus wrote G.A.R.'s test team on testing the new Toleman. They were just as ecstatic on re-testing it sometime later. "a delight on the road... the way it shifts automatically... the transmission lock-up phase at 60 km/h is an excellent experience."

There is absolutely nothing that has since, we daresay, to change their mind.

On the dozens of other critics who for Africa's first lock-up 4-speed automatic transmission, variously the most advanced and the most sophisticated in the Republic. And so it was all but imperceptible.

But don't even take a critic's word for it and get behind the wheel of the superb GLi-6 and examine all its advanced technical and luxury features for yourself.

One test drive is worth a thousand words.

NEW EXHIBITION SERVICE CENTER

Wheat farmers *w/e ARGAS (BUS)* expect *22/10 R3* bumper crop *3 wheat*

By AUDREY d'ANGELO
WHEAT farmers in the Western Cape are likely to have a bumper crop this summer, for the second year running.

They are already harvesting one of the best crops of barley in living memory, estimated at 130 000 tons, mostly in the Swellendam, Heidelberg, Bredasdorp and Caledon area.

The barley crop, at R247,50 a ton, will bring them R32,1-million.

On top of this they will receive R18 a ton from the barley reserve fund to compensate them for the fact that the barley price has not gone up this year, which will bring them an extra R2,3-million.

Farmers in other parts of the country, particularly the drought-ravaged Free State, are expecting a poor wheat crop this year.

Disaster

Mr D F de Villiers, deputy general manager of the Wheat Board, said the national crop was likely to be "almost a disaster."

But, unless it was spoiled by bad weather between now and November, the wheat crop in the Western Cape

To Page 3.

w/e ARGAS (BUS) Bumper crop *3 wheat*

From Page 1.

might not be far short of the record 627 000 tons last year.

This, at R275 a ton, earned local farmers R183,4-million. And because they agreed to forego a price rise this year they will receive a compensatory payment from their stabilisation fund of R20 for every ton deliv-

ered before the end of May 1983.

This will bring them an extra R12,5-million.

This year's Western Cape crop, mainly in the Swartland and in the Caledon, Swellendam, Bredasdorp area, is expected to be about 622 000 tons, which would bring the farmers R171-million.

AI "DEMIT FREE" 2



Meat prices rise ²⁰⁰⁴ ^{5/11/83} bread ~~could~~ ^{(3) wheat} follow

By GERALD REILLY
Pretoria Bureau

A RASH of basic food price rises — and there are others in the pipeline — which will hit consumers hard, has followed the completion of the referendum campaign.

Price control on sugar has been lifted — which will almost certainly lead to a higher price — the floor price of beef has been raised and the price of milk is to be increased soon by 2c/l.

And, according to the general manager of the Wheat Board, Mr Denis van Aarde, a rise in the price of bread, possibly from the beginning of next year, is likely.

Mr Van Aarde said in Pretoria yesterday that the bread subsidy was now running at R20-million a month, or R240-million a year, and the authorities would be reluctant to raise it further.

Informed sources said the bread subsidy might even be reduced to make possible an increase in the subsidy paid on maize meal.

If this happened the bread price rise could be even greater.

When he announced the lifting of control on sugar the Minister of Industries and Commerce, Dr Dawie de Vilhiers, warned that if there were abuses the Government would not hesitate to act.

The general manager of National Consolidated Dairies, Dr M Hermann, said a milk price rise of 2c/l would be imposed at a date still to be determined.

He said demands earlier this year by distributors for a 13,5% increase were justified. They had, however, agreed to take only 10%.

"The other 3,5% is represented by the coming rise of 2c/l," he said.

Meanwhile, the chairman of the Dairy Board, Mr Jan van Vuuren, said this week the board had decided not to raise the producers' price of fresh milk.

This meant the price of butter and cheese would not be increased. This was in spite of the fact that dairy farmers were producing at a loss.

Meanwhile, the Housewives' League has said that when milk was de-controlled in June distributors took a 2,56c/l increase. Now, five months later, there was to be another 2c hike "and the promise of yet another 2,6c".

The leagues' president, Mrs Joy Hurwitz, said dairies had amalgamated to such an extent that in most areas there was only one. "We are moving from control to cartel," she said.

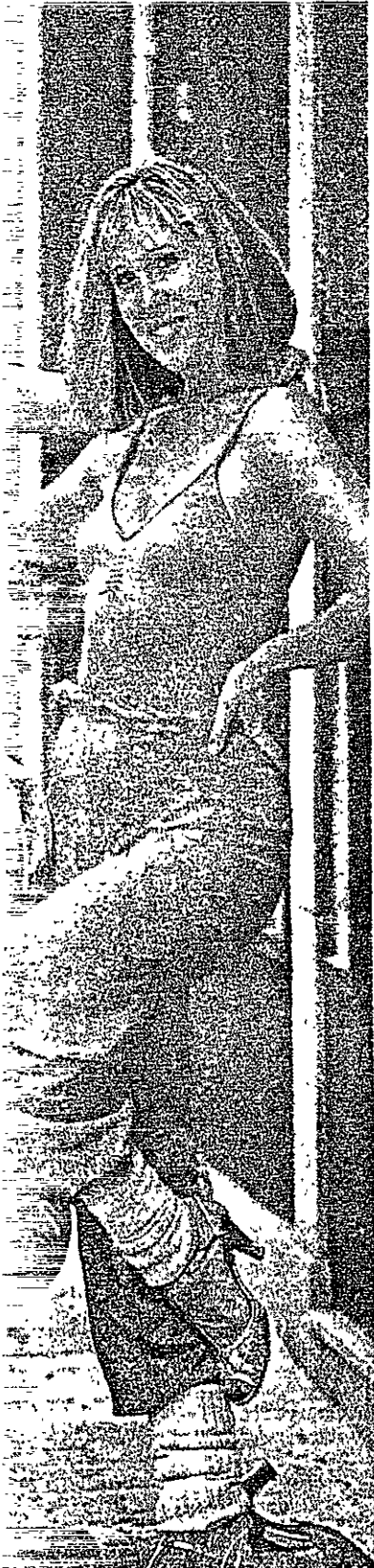
She said the league would urge the Minister of Agriculture to reimpose price control.

Yesterday the Minister of Agriculture announced a rise in the floor price of beef by 7% — from 205,5c/kg to 219,9c; that of mutton by 10,58% from 214,7c/kg to 238c, and that of pork by 3,3% from 155,1c/kg to 160,5c.

The SA Agricultural Union's meat expert, Mr Jan van der Walt, said farmers would welcome the floor price increase. The price had not been raised since July last year.

A spokesman for the Meat Board said because of the drought beef farmers' costs had spiralled.

Turning to mutton, he said there was so great a gap between the floor price and auction prices that the 10,85% increase was "purely academic", and the increase in the floor price of pork was insignificant.



'Lucky day' ends in the cooler

Mail Correspondent

CAPE TOWN. — A man who thought it was his "lucky day" when he was sold 20 frozen chickens for R20, was yesterday jailed for 12 months for being in possession of stolen property.

Mogamat Lakay, 37, of Jordaan Street, Mannenberg, had pleaded guilty in the Wynberg Magistrate's Court to having had the chickens in his possession on October 18 while he had a reasonable suspicion that they could have been stolen.

He had pleaded not guilty to a main charge

of theft.

Lakay, a laundry deliverer at the time, said someone had approached him at Smuts Hall at the University of Cape Town and offered him the 20 frozen chickens for R20. "I thought it was my lucky day but the cook came down and found the chickens in the truck," he said.

Pleading in mitigation, Lakay said he was married and had four children. He had also not recovered his R20.

Passing sentence, the magistrate, Mr N Jones, said Lakay had had previous convictions and had been convicted for stealing a bottle of whisky and a torch.



CAPE TOWN...
ON THE HISTORICAL MAIDEN VOYAGE
OF R/S "WORLD ESCAPADE"

11TH JANUARY '84 TO 28TH JANUARY '84

(3) meat

MEAT PRICES

No need for panic

Don't be panicked into loading your deep freeze. Beef and mutton prices always rise a little in the spring and tail off again in autumn. The annual cycle merely reflects the comparative cost of winter and summer feed to farmers.

Grass is plentiful and succulent in summer, scarce and less nutritious in winter. Graziers cull most heavily in February, March, April and May not only because their beasts are then at their fattest but because they like to destock ahead of winter when feeding is more expensive. Depending on the year, the lower grades of cattle therefore tend to be at their cheapest sometime between March and June. For similar reasons, the flow of stall-fed cattle (which make the higher grades) is strongest in June, July, August and September. That's when the autumn-bought weaner crop reaches marketing weight via the feedlots, which today put the finishing touches to four out of every 10 of the country's beef animals.

This year the drought has accentuated the normal pattern. Because they were so short of winter feed, the graziers wanted to send more animals than usual to the abattoirs in autumn. The Meat Board wouldn't let them. It wouldn't let the market clear. In order to maintain its arbitrarily fixed floor price, it was obliged to purchase over 100 000 carcasses, but even that wasn't enough. It had

to restrict the inflow of live animals to the abattoirs too.

In consequence, the price of weaners and store stock plummeted and those feedlotter who bought them went through winter with more beasts than they could easily market under the board's restrictive permit scheme. Knowing all this, many market operators were predicting a dramatic rebound which they expected to occur as soon as the drought was broken. That the price of beef has indeed bounced up a few cents now that some rains have fallen can be attributed partly to the normal spring cycle and partly to the withholding action of farmers and speculators who have their fingers crossed for something better.

In fact, the speculators will probably be disappointed and the housewives relieved. After last year's experience, few graziers will be in a hurry to stock up again. Their farms need a rest and so do their bank managers. The Meat Board has an estimated 110 000 carcasses to dribble back onto the market. There is another glut of broiler meat and cheese in the offing and consumer demand is not likely to pick up noticeably for at least another year. If anything, the Meat Board has over-reacted by increasing its floor prices yet again. The last thing the market needs at the moment is to frighten consumers away. The board's additional 7% on beef at the moment could do just that.

Govt subsidies on bread in SWA to be abolished

~~3~~ wheat
E. Post 20/12/83

WINDHOEK — The Administrator-General of SWA/Namibia, Dr Willie van Niekerk, has announced the abolition of Government subsidies on white and wholewheat bread from January 1.

Price control on the two items would be abolished at the same time.

In a statement from Swakopmund, Dr Van Niekerk said the purpose of food subsidies was to make staples more accessible to the poor.

"The subsidy on white and whole wheat bread clearly does not serve this purpose. Maize products and mahango are the staple foods of the major part of the population."

A senior Department of Agriculture official said earlier: "By subsidising bread we do not subsidise the staple food of the average Namibian."

The average SWA/Namibian bought bread in insignificant quantities, according to a study by the Department of Agriculture.

"Bread is by no means a staple food for the population as a whole," Dr Van Niekerk said. "This is even more true for the less affluent sections of the population." — Sapa

WHEAT

1984 - JANUARY - Oct

Cabinet expected to tackle bread price

By GERALD REILLY
Pretoria Bureau

THE Cabinet is expected to decide on two vital issues at its meeting in Cape Town on January 24: whether to raise the bread price, and whether to introduce legislation to tighten the tax screws on fringe benefits.

Pretoria sources say the bread price should have been adjusted from the start of the new season last October. But for a number of reasons — mainly the effect of a bread price rise on the National Party's support in the referendum — it was delayed.

However the sources claim

the Government, with a R4 000-million budget deficit looming, is in no position to raise the current R240-million a year subsidy to the extent needed to avert a bread price increase.

Reliable estimates are that in the unlikely event of the Cabinet deciding to increase the subsidy, it would have to add at least another R40-million to the existing subsidy.

It was pointed out that the bread price in South West Africa had just been raised — brown bread by about 20 cents a loaf and white bread by four cents.

Although these prices are determined independently of

South African prices, the increases are an indication of the increasing pressure for a local price adjustment.

On the introduction of legislation aimed at a tighter control over fringe benefits, the Minister of Finance, Mr Owen Horwood, has repeatedly refused in the past three months to state whether the Cabinet has accepted the recommendations of the Committee of 12 MPs.

The Committee drew up a Draft Bill setting out in detail the evaluation of perks, such as company cars, subsidised house and other loans, and entertainment allowances.

The committee's report and the proposed Draft Bill

were submitted to the Minister months ago. And yesterday a member of the committee, Mr Harry Schwarz, appealed to the Cabinet to make an urgent statement on whether the tax is to be introduced at the start of the 1984/85 financial year.

"If the implementation is to be postponed again, and no legislation comes before Parliament this coming session, the Commissioner of Inland Revenue is likely to stringently enforce existing fringe benefit provisions."

Mr Schwarz said confusion and uncertainty would result countrywide if there was no central direction from the Commissioner's office.

3 wheat ~~244~~

20/1/84

Wheat room

Wheat controls mooted

THE South African wheat industry would have to consider introducing marketing quotas if a large scale switch from maize leads to unmanageable surpluses, says the Wheat Board.

In a paper read to this week's Agrocon '84 conference in Pretoria, the board focused on the Jacobs committee proposals to introduce maize quotas in South Africa and said a significant switch from maize to wheat could not be excluded.

"This will in fact only result in a

shift of the current problems experienced in the maize industry to similar problems in the wheat industry".

In an attempt to dissuade newcomers from planting wheat, the board recommended the producer price should not be increased for the 1983/4 season.

The board said the wheat industry faced high interest rates, the severe drought and rising input costs.

If input cost increases could not be significantly lowered soon "it is very unlikely that the South African wheat producer will in the longer

term be able to remain in production".

With world wheat prices unlikely to firm, the board said, South Africa might find it increasingly difficult to sell surplus wheat abroad since local exporters could not offer the same credit terms as many major exporting countries.

The board estimated 1983/4 production at a drought-affected 1,56m tonnes, well down on the previous 2,28m tons.

Exports in the 1982/3 season were curtailed at 145 000 tons, including 50 000 tons to nearby African countries, in view of the drought. — Reuter.

Outcry follows
the 6c bread
price increase

By Zenaide Vendeiro

17/2/84

Consumer organisations reacted with "shock" to the 6c increase in the price of white and brown bread announced in Parliament on Wednesday.

Mrs Sally Motlana, president of the Black Housewives' League, said black consumers would be particularly hard hit by the price rise as they were the lowest-paid population group in South Africa.

Mrs Motlana warned that consumers could expect increases in other foodstuffs. "Once one commodity goes up in price, you can be sure the increase will spread to all related foodstuffs."

Mr Bernard Hellberg, assistant director of the South African National Co-ordinating Consumer Council, said it was "a disappointing development".

SPECULATION

There had been speculation of a price increase because of the state of the wheat industry and because the Government felt it could not raise the subsidy on bread.

"This is a bitter blow," said Mrs Joy Hurwitz, national president of the Housewives' League of South Africa. "Increases of this size, coming so soon after the increase in GST, will hit those consumers who can least afford it in this time of recession."

"I'm especially distressed that the price of brown bread has been increased as consumers have been encouraged to purchase it because of its better nutritional value."

Mrs Hurwitz said that a price rise had been expected and "the League asks again for the exemption of basic foods from GST".

MONDAY, 26 MARCH 1984

†Indicates translated version.

For written reply:

Value of dairy/meat/wheat/wheat products imported

475. Mr D J N MALCOMESS asked the Minister of Agriculture:

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

The MINISTER OF AGRICULTURE:

- (a) R13 105 490.
- (b) R9 411 796.
- (c) R7 076 076.

The abovementioned amounts represent the total value of imports for the period 1 December 1982 to 30 November 1983 in respect of all the members of the joint Customs Union. The value of imports into South Africa alone is not available.

Hansard 0.61. 753
Ben Schoeman Airport: aircraft belonging to Independent Black state 26/3/84
710. Mr E K MOORCROFT asked the Minister of Transport Affairs:

- (1) Whether any aircraft belonging to an independent Black state is being accommodated at Ben Schoeman Airport, East London, if so, (a) to which state does it belong and (b) what type of aircraft is it;
- (2) whether charges are levied for accommodating the aircraft at this airport; if so, what are the charges;
- (3) whether maintenance services are provided in respect of the aircraft; if so, at what cost;

(4) (a) for what period has the aircraft been accommodated at this airport, (b) how many times has it used the runway during this period and (c) (i) what is the crew complement and (ii) by whom is the crew provided;

(5) whether a certificate of airworthiness in respect of this aircraft has been issued in the Republic of South Africa; if so, (a) where was it examined and (b) (i) what charges were levied and (ii) by whom were they paid?

The MINISTER OF TRANSPORT AFFAIRS:

- (1) Yes.
 - (a) The Republic of Ciskei.
 - (b) A Westwind 2 WW 23 fixed-wing jet aircraft.
- (2) No. An exemption granted in terms of regulation 22.10 of the State Airport Regulations, 1963 applies.
- (3) The aircraft is maintained by a private aircraft maintenance organization. Actual costs incurred are for the account of the Ciskei Government.
- (4) (a) Since 13 May 1983.
 - (b) On 24 occasions.
 - (c) (i) 2 Members.
 - (ii) Unknown.
- (5) No.
 - (a) and (b) Fall away.

Types of aircraft used on scheduled passenger flights

711. Mr R R HULLEY asked the Minister of Transport Affairs:

- (1) (a) What types of aircraft are used by the South African Airways on scheduled passenger flights between (i) Johannesburg and London and (ii)

Wheat ploy saves ³ R20-m ^{79/4/87} in ^{S. Times} currency ^{wheat}

By Barry Sergeant

FARMERS have saved South Africa R20-million in foreign currency by replacing mealies with wheat and grain sorghum to feed stock.

The saving comes about because wheat is cheaper than maize on world markets.

The other reason for the wheat imports is the substantial price differential between the world prices of maize and wheat. Maize costs about R219 a ton in the US in a rising market, and wheat about R160 a ton in a falling market.

Low grade

SA signed its first deal to import wheat — 400 000 tons from Australia. Farmers usually keep 800 000 tons of mealies from their crops to feed animals, and wheat imports will allow them to sell some of this for human consumption. Poultry and other farmers also buy a large part of the domestic crop for feed.

SA was faced with the prospect of importing 3,7-million tons of mealies this



Chickens for the table ... turned off by wheat.

year because drought ruined last summer's crop. But by using low-grade imported wheat and 280 000 tons of grain sorghum grown in SA to feed poultry and animals, farmers will reduce the mealie import bill.

Agriculture hopes that as much as 1-million tons of maize that would have been used for stockfeed will find its way to the shops.

Handling

Mealie meal is a staple food only in Southern Africa — its people eat about 1% of the world crop. Imported maize is of inferior quality.

Foreign standards of handling maize do not have to be

as high as those in SA's, and the mealies are often stored for years.

Grain traders, such as South Africa's subsidiary of America's Contigrain, doubt the quality of US maize, one of the main sources of SA imports.

Australia is selling germinated wheat, unfit for human use, at a discount on world prices.

Farmers will be offered the wheat at a discount of 8,375% on the SA maize price, which will encourage them to sell maize and use wheat as feed.

About 3,5-million tons of

SA's consumption of 7,2-million tons of maize goes to animals, more than half of it for poultry. But because yellow maize gives chickens their dark skin colour and eggs their yolk colour, poultrymen will be loath to use wheat or sorghum.

Promising

SA hopes to buy another 350 000 tons of wheat this winter when the new northern hemisphere crop, which looks promising, comes on the market.

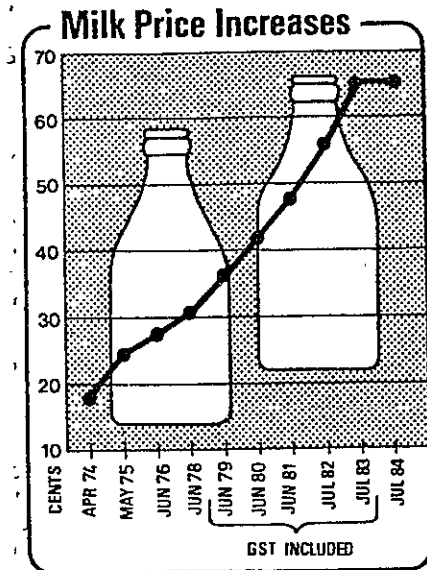
The SA Agricultural Union says the switch of maize lands to sorghum is sure to continue. It says there is enough seed to grow 2-million tons of sorghum next summer — 75% more than last summer's crop.

Maize has no nutritional superiority over sorghum, except for 10% over the bird-proof variety.

More farmers are growing sorghum, because its shallow root system allows it to benefit from light rain. Its resistance to drought is enhanced by its ability to "hibernate" between rain.

250 pc price leap in bread, milk in 10 years

By Jennifer Tennant,
Consumer Reporter



Prices of basic foods such as milk and white bread have risen by a staggering 250 percent in the past decade, a review carried out by *The Star* of price increases since 1974 found.

The review followed the recent announcement of a spate of price increases, including tea, milk powder and cooking oil, which will come into effect by the end of October.

Reasons for soaring prices — in 10 years — have not changed: the crippling drought of the last two years, South Africa's inflation rate, increasing transport costs, higher fuel prices, and the spiralling cost of labour.

Since 1976 the price of brown bread has risen by 200 percent: five increases in 10 years.

- In 1976 it went up from 13 c a loaf to 16 c a loaf.
- In 1980 brown bread increased by 25 percent to 21 c a loaf.
- Brown bread went up again in 1981 — this time by 40 percent — to 29c.
- In 1982 the price of it increased by 17,8 percent to 35c.
- This February it went up 6c, rising from 36 c to 42c a loaf, an increase of 16,6 percent.
- But the price dropped to 39c when bread became exempt from general sales tax in July.

The price of white bread has risen by 250 percent — six increases in eight years.

- White bread rose to 20c a loaf from 16c in 1976.
- In 1978 it increased to 26c a loaf.
- In 1980 a loaf of white bread went up by 5c to 31c.
- White bread went up again to 42c a loaf, an increase of 30 percent, in 1981.

- It cost 53c at the end of 1982.
 - There was an 11 percent increase in the price of white bread to 60c a loaf this February.
 - When bread became exempt from GST in July the price dropped to 56c.
- Milk has increased by about 250 percent — 47c — since 1974, when a litre bottle cost 18,8c. (See graph of milk price increases).

FOOD

③ Wheat
From 28/9/84

Brown bread boom

A 15%-16% drop in maize meal sales has led to the first increase in bread consumption for the last five years, says Wheat Board GM, Dennis van Aarde.

The drop, which occurred in the May-July period, is reflected by an increase of 5%-8% in brown bread sales over the last year.

The reason for the switch, says Van Aarde, is adverse consumer reaction to yellow, imported, maize meal which has replaced locally produced white maize; recent maize price increases have further soured consumer attitudes towards this traditional staple food.

Brown bread sales have also far overtaken that of white bread (see chart). The reason is presumably the large price differential between the two commodities, compounded by the swing away from yellow maize, says Van Aarde.

Tastes of black consumers have also become more sophisticated. Van Aarde expects the current 76/24 differential in the consumption of brown and white bread to increase to about 80/20.

Government scrapped the subsidy on white bread in 1979, while retaining that on the more healthy and nutritious brown bread. "The only danger is that the demand

on the bread subsidy could increase," says Van Aarde.

Currently, about 1,7 billion loaves are sold annually in SA. With a subsidy of 1c on the price of brown bread the subsidy is already costing about R17,5m.

The current year's government subsidy on the bread price amounted to R120m, while the total subsidy (including the Wheat Board's contribution) would be "about R156m," says Van Aarde. "This could possibly increase to about R180m next year," he says.

The Wheat Board contributed R40m from its stabilisation fund to keep both wheat and bread price increases at low levels. This leaves about R40m in the fund, which could be recovered with the next crop. The current 1,7 Mt crop is worth about R450m, while next year's projected 2,17 Mt crop could weigh in at more than R600m, depending on weather, market and

other economic considerations.

Total crop acreage this year increased by about 7%, says Van Aarde.

The consumer swing to brown bread helped convince the board (and producers) to accept a small 8,7% increase in the price of wheat (from R275/t to R299/t) for the 1984-1985 season — the first increase in two years.

Increase

"Producers know they must take a longer-term view of their industry and not allow too sharp a price increase to drive away consumers," he says.

Likewise, a further rise in the wheat price could lure maize producers to wheat leading to possible costly export losses on surplus production. "A surplus production of 60 000 t for this year, will have to be exported at losses of R170/t-R180/t," says Van Aarde.

The balance of the projected 2,17 Mt 1984-1985 crop will be used for local consumption of about 1,9 Mt, exports to African states of about 135 000 t with carry-over stocks of about 650 000 t. This is enough for four months' consumption and includes previous crop carryovers.

The board is now looking at producing more lower-quality wheat for stockfeed, says Van Aarde. This could reduce export losses. "Next year we will test high-yielding European stockfeed wheat strains on a small scale," he says.

According to Ministerial edict, imported Australian stockfeed wheat must be sold at the same price as feed maize (R220/t). However, locally produced stockfeed wheat could be sold at any acceptable market price, without limitations, says Van Aarde. He therefore foresees a growing market for this type of production, based on the good acceptance of the Australian wheat.

3 sheet

AM October 1984

Price control move could cost millers R60m

THE government has removed the cost recovery element in the price control formula for the wheat milling industry — a move which could cost the industry R60-million a year.

It is expected that the industry will make R30 less per ton on the 2-million tons of flour milled annually.

Prices for flour set by the government are based on allowing the miller three things:

- a return on historical capital of 15%;
- a rate of interest on his working capital

(these two elements are effectively the profit margin for the milling industry); and

- a cost recovery.

But this year the cost recovery element has not been granted.

"This seriously reduces our capacity to make investments because the 15% return on historical capital is totally inadequate," said Premier Group deputy chairman Mr. Peter Wrighton. "The historical capital investment of the industry is only about R60-million — but

BY TONY KOENDERMAN, Finance Editor

the replacement cost at today's prices is about R500-million.

A single mill today costs around R50-million. This way the industry could run out of capacity and we may have to import flour."

The biggest cost increases facing the industry are in administered prices such as railage rates — which went up 16% in a year when the industry spent a lot more on railage than usual because of the need to transport food to farm-

the areas.

The industry's gross margin (cost recovery plus interest) should have gone up R38 a ton on wheat to accommodate the increases over the past year. But only an adjustment for interest on working capital, from 16.5% to 20%, was granted with effect from October 1, equal to about R9 per ton.

And that 20% is still a long way short of the current market rates. The 25% prime rate, compounded daily, translates into an annual

rate of 28%.

"Most industries invest their fixed capital and borrow their working capital," said Mr. Wrighton. "So we are borrowing our working capital at 28% and we are investing in stock and debtors at 20%. So we lose 8% there."

As with so many other industries at the moment, millers are beginning to wonder whether they are better off putting their money on call at close to 24% than investing in new capacity.

RETAILING

The recession has arrived

he recession has finally hit retailers with a vengeance — especially stores which sell furniture, clothing, and appliances (See *Fox*).

Until recent months, many of them have managed to keep up turnovers, if not profits, because of the vast increase in consumer indebtedness.

But rising interest rates, the falling rand, and more stringent hire purchase (HP) regulations have combined to attack this source of revenue on all fronts.

According to the Central Statistics Service, total retail sales which reached an all time record of R2,3 billion in April, are expected to fall to R2,2 billion in September. This is only a 4,5% drop in money terms but is the lowest level, in real terms, since April, 1981. And sales for the quarter ending September should be more than 10% down on the previous quarter.

The value of judgments against consumers has also jumped substantially, says Dun and Bradstreet MD Alan Mankoff. The total value jumped 36% to R25m in June over June last year.

Most stores have reacted to the downturn by trying to cut stock levels, reduce staff and step up advertising and promotion.

Edgars MD Vic Hammond says his group's advertising is up 30%.

To keep mark-ups stable, says a buyer, higher discounts from suppliers are being negotiated: "Where the discount was 3%, we now try for 5%.

But this is becoming increasingly difficult to achieve, says Pick 'n Pay chairman Raymond Ackerman, as the cost from manufacturer to retailer has, on the whole, gone up.

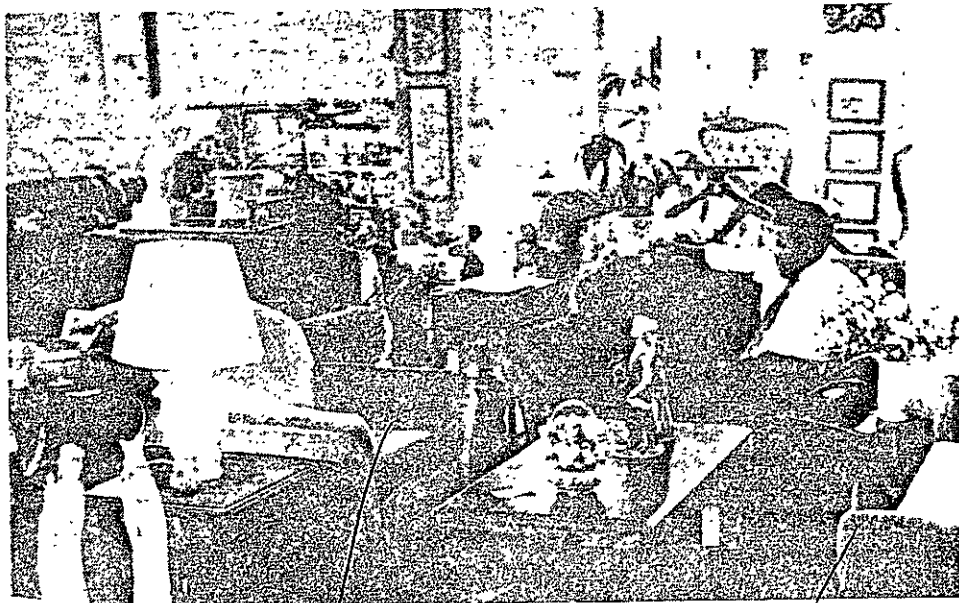
Shops in big centres are surviving better than those in isolated areas.

"For instance," says Hammond, "Edgars in the homelands and some branches in our Sales House chain (which caters largely for the black market) are doing very badly. A few Sales House branches will be closed."

Pick 'n Pay has found that while its overall profits are up this year, profits on non-food items, particularly durables, are down.

"Business is extremely tough," affirms Dion's director Brian Howard. Sales of furniture items, he says, have been especially hard hit.

Amrel, the SA Breweries holding company for Scotts, Furniture City, Multiserve and other chains, says volume sales in furniture and appliances, have dropped by 25% on last year's figures in some stores: this means a rand drop of 35-40%. Shoe and clothing stores also have falling volume



Furniture store ... attacked on all fronts

sales.

"We did not anticipate the recession," says chief executive Ronnie Cohen, "and as shoes and clothes are bought six months in advance, stock levels are very high."

Amrel is now cancelling 2%-3% of outstanding orders, especially in furniture and appliances.

Mark-ups in furniture and appliances are being dropped even to cost price, as in video recorders, says Cohen. This is partly because HP deposits have gone up by 10%-20% and repayment periods have been substantially shortened.

Says Cohen: "Unless government amends HP legislation there will be bankruptcies and unemployment and the country will take years to recover." He says the retail industry, especially those chains dealing largely in furniture and appliances, are "laying-off plenty of staff."

The greater expense of imported goods may grant local manufacturers some relief. One industry source says that in the baby wear department, where 70% of the clothes are imported and often bought as gifts, customers are returning to exchange the gift for more items, locally made and cheaper.

Stuttafords is also trying to reduce its imports. Says deputy chairman, Ken Geeling: "Expensive items have become much more difficult to sell."

With price-cutting especially strong in durables, consumers with buying power will be able to exploit the retailers' misfortune. What is more, many retailers say they are now trying to concentrate on value items.

Ackermann says the industry may start to recover in March next year "depending upon Reagan's re-election and the Western economy."

Cohen is more sceptical: "Although an improvement should be observable by November-December, in real terms things will have got worse. Next year will be better — only because it can't get any worse."

BREAD PRICES ³Wheat Catcher in the chaff

Last week's wheat price increase again raises the question of why farmers should be encouraged, by artificially high prices, to grow a crop which can be imported at less than half the local production cost.

If this year's domestic wheat requirements had been bought on world markets — instead of paying local prices — the saving would have been at least R200m. This would have more than compensated for the brown bread subsidy, set to cost a minimum of R120m this year.

As a *quid pro quo* for the new R299/t wheat price, the Wheat Board has agreed to contribute R40m from its R80m stabilisation fund towards the brown bread subsidy. The R120m government allocation for the subsidy has been depleted by blacks switching to brown bread because of the higher percentage of yellow maize in maize meal.

The question of paying farmers over the odds also applies to the sugar industry —

which is expecting a record crop this year — but not to maize, where the domestic price has at least assumed parity with the imported landed price.

The effects of the local prices of wheat and sugar are that the consumer is being asked to subsidise farmers. Farmers countrywide are climbing on the high price wheat wagon. This season, farmers in the western and central Free State put 100 000 more hectares under wheat than the year before — in areas unsuited to this winter rainfall cereal.

At least the sugar industry is making an outward attempt to solve its problems; it hopes to institute soon a three-tier quota system. Farmers will be allocated quotas for the domestic market based on previous performance; any further production will be subject to the world price and its vagaries.

The wheat-bread industry is another kettle of fish. The sugar industry at least plants a crop suitable to the prevailing climate; wheat, as the Wheat Board freely admits, is not a suitable crop for SA's climatic conditions. Efficient maize farmers can equal overseas yields (given good weather), wheat farmers average 1.4 t/ha compared to an overseas 4 t-5 t/ha.

Production

The Wheat Board argues that wheat production, at least to the level of domestic consumption, should be seen as a strategic crop. That could be countered by events with this year's maize imports, which are being openly bought on the Chicago Commodities Exchange, in a country which is becoming increasingly hostile to SA. If the US sells grain to Russia, it seems certain that the last sanctioned commodity import to SA would be food.

There are also problems the wheat-bread industry faces on its own doorstep. Joy Hurwitz, national president of the Housewives League, says the industry, from producer to consumer, is a can of worms. She says investigation of each process in the industry is needed, and welcomes government's call in the *Government Gazette* for comment on the role of millers and bakers.

Hurwitz observes that farmers have experienced increasing input costs, but says there should be a far greater disclosure of the industry's infrastructure — particularly details on who is making the profits.

The R40m drawdown from the Wheat Board's stabilisation fund has been slammed by Jan Schutte, chairman of the Free State Wheat Committee. He says the withdrawal has cut the Free State farmers' lifeline in a year when a maize crop failure was followed by a wheat crop failure, adding insult to injury.

But Gert Schoonbee, chairman of the SAAU's National Winter Cereals Committee, says the drawdown is the farmers' contribution to keeping the cpi low. The SAAU's Hennie Bezuidenhout argues that the levy which built the fund is built into

consumer prices, and it is fair that the money should now be used to benefit consumers.

One cost saved if the subsidy were abolished would be R750 000 a year needed to administer the subsidy.

PUBLISHING

Dog eat dog

Publishers are continuing to churn out new products onto the already saturated family magazine market.

Advertising revenues and market shares are so slim in some cases that the three majors, Perskor's Republican Press (RP), Nasionale Pers (NP) and Caxton Limited (CL), are said to be "eating each other up."

This year NP floated the new *Cosmopolitan* women's magazine, CL launched a new men's magazine, *Avenue*, the SABC pulled out of a publishing agreement over



Republican's Bennett ... planning the campaign

Family Radio and TV and *Dagboek* and RP incorporated *Darling* into a new fortnightly *Femina* with a view to a full-on war with NP's flagship *Fair Lady*.

Leon Bennett, RP's managing editor, says the SABC has agreed to RP taking over both *Family Radio and TV* and *Dagboek* and publishing them on its own account. They are owned by the SABC which has a publishing contract with RP. Apparently this still has a year to run.

Bennett says he sees great possibilities for the two magazines which have been steadily losing circulation. One of the problems is that RP is contractually bound to

accept content material supplied by the SABC. Under RP he envisages them having a much broader scope covering the full range of entertainment from TV and radio through to video, theatre and travel. "From now on we won't be limited to rah-rahing only one network," he says.

The rationalisation of *Darling* into *Femina*, he claims, made economic sense. *Femina*, which was launched as a monthly last year, had become highly successful with a circulation around 130 000. *Darling*, on the other hand had languished. The new *Femina* will now be published fortnightly. "We want to have a full go at *Fair Lady* which we feel is ripe for an attack," says Bennett.

The cut-throat competition in the magazine market has hurt, Bennett freely admits. Magazine revenues, he says, have been harder hit by the dip in the economy than most people realise. *Scope*, for example, RP's former flagship, has lost both men and women readers to the proliferation of new products. "At one stage 60% of its readers were women," Bennett observes. Circulation has levelled off at around 60 000, but there are development plans afoot.

Talk, which Bennett doesn't even attempt to deny, is that CL may now take over RP's magazine interests.

MOTOR SHOW

Exotic farce

Despite the lack of backing from official motor industry bodies, the *Sunday Times* Motor Show is likely to feature every car made in SA plus some imports never before seen in this country.

The National Association of Automobile Manufacturers of SA (Naamsa) and the National Automobile Distributors' Association (Nada) say they do not support the show and have reaffirmed their decision that no manufacturer should be directly involved (*Business* July 27).

Both organisations say the show will not be cost-effective and that, as SA motor manufacturers launch their new models at different times, anyone launching a new model on the show will have an unfair advantage.

Since making their stand, however, about 10 Naamsa members and 19 Nada members have signed contracts to exhibit, along with 130 other exhibitors.

To avoid confrontation with the industry bodies, several members have chosen to mask their intention to exhibit by registering as exhibitors through their used-car divisions, which are not affected by the Naamsa/Nada ruling.

"The whole thing has turned into a farce," says Clive Strugnell, a spokesman for Trade Fairs and Promotions, the show organiser. "Every major manufacturer will be represented in one way or another,

AGRICULTURE - WHEAT

1985

(3) Wheat (244) (186)
9/1/35 D. D. P. P. P.
**Budget may see cut
in brown bread subsidy**

PRETORIA — The first stage in the phasing out of the big subsidy on brown and wholewheat bread may be announced in the budget, according to sources here.

In October last year the Deputy Minister of Agriculture, Mr Gert Kotze, told a National Chamber of Bakers conference that the subsidy would ultimately have to be scrapped.

He said this was not possible then because of current economic conditions, including high unemployment.

Since October economic conditions have worsened, and the economy is expected to continue to slide, at least during the first half of the year.

Economists warned that, with the current volatile conditions in black townships, the Government would be ill-advised to reduce the subsidy, and raise the price of brown bread.

They point to the angry reaction and disturbances which have followed rent and bus increases — and say a similar reaction could be expected if the price of bread was raised.

A sensitive situation could become explosive, it was stated, if the bread subsidy was significantly cut — followed soon after by the expected hike in the maize price at the latest from May 1.

According to the wheat board the consumption of bread, mostly brown bread, increased by 8,3 per cent last year.

A major reason for the increase was the unpopularity of the yellow-white maize meal mix necessitated by last season's maize crop failure.

Because of the higher brown bread consumption, the subsidy, amounting to 16 cents a loaf, for the current financial year is expected to reach about R280 million—about R23 million a month.

Economists pointed out that in spite of the government's worsening financial plight and acute shortage of state funds, it was certain the subsidy would not be removed totally — but a start on phasing it out was "more than possible." — DDC

The MINISTER OF AGRICULTURAL ECONOMICS:

EXPENDITURE OF AGRICULTURAL MARKETING BOARDS, 1983/84

BOARD	R	
	(a)	(b)
Potato Board	2 124 546	689 579
Dry Bean Board	1 890 430	1 525 077
Dried Fruit Board	1 784 771	1 452 007
Egg Board	9 726 982	7 867 201
Karakul Board	440 552	333 301
Cotton Board	8 734 775	8 368 163
Wheat Board	76 046 631	70 355 379
Lucerne Seed Board	111 669	3 146
Maize Board	154 248 876	146 396 211
Oil Seeds Board	10 201 424	6 828 433
Banana Board	506 579	417 113
Canning Fruit Board	2 515 445	2 194 403
Rooibos Tea Control Board	17 491 618	9 195 566
Deciduous Fruit Board	1 160 365	595 958
Chicory Board	4 062 663	430 422
Citrus Board	43 455 415	40 318 641
SA Wool Board	23 213 459	20 112 044
Mohar Board	709 544	396 629
Tobacco Board	12 151 950	11 771 118
Meat Board	28 415 383	18 957 105

Sandton: national monuments

59. Mr D J DALLING asked the Minister of National Education:

- (1) Whether any properties in Sandton have been declared national monuments; if so, which properties;
- (2) whether any properties in Sandton are presently under consideration in this connection; if so, which properties?

The MINISTER OF NATIONAL EDUCATION:

- (1) Yes. The so-called Weber House and the Old Laboratory, both situated on Portion 44 of the farm Driefontein 41 IR, Sandton, were provisionally declared to be national monuments on 22 June 1984. This declaration will lapse on 21 June 1989 if not renewed or altered into a permanent declaration.
- (2) No.

Imports/exports: loss of foreign exchange

134. Mr H H SCHWARZ asked the Minister of Agricultural Economics:

What is the estimated loss of foreign exchange suffered by the Republic in 1984

or the latest specified 12-month or other period for which figures are available, in respect of (a) additional imports and (b) loss of exports attributable to drought conditions in the Republic?

The MINISTER OF AGRICULTURAL ECONOMICS:

- (a) R1 057 million in respect of 1984.
- (b) R 289 million in respect of 1984.

251. Mr E K MOORCROFT asked the Minister of Agricultural Economics:

What amount was paid out in subsidies in respect of (a) bread, (b) maize and (c) butter for consumer use in the 1983-84 financial year?

The MINISTER OF AGRICULTURAL ECONOMICS:

- R267 613 310.
- R132 168 497.
- R 966 604.

Area lost for agricultural purposes

252. Mr E K MOORCROFT asked the Minister of Agricultural Economics:

What is the estimated area that was lost for agricultural purposes as a result of urban development in the 1983-84 financial year?

The MINISTER OF AGRICULTURAL ECONOMICS:

5 979 hectare situated outside the areas of jurisdiction of local authorities were incorporated with such areas during the relevant period.

301. Mr P A MYBURGH asked the Minister of Agricultural Economics:

What percentage of South Africa's total agricultural production in the 1983-84 production seasons was not under the control of any board established under the Marketing Act?

The MINISTER OF AGRICULTURAL ECONOMICS:

30,53%

302. Mr P A MYBURGH asked the Minister of Agricultural Economics:

What was the value of the Republic's

(i)	(ii)
Potatoes	122 600 x 15 kg
Oranges	9 500 x 10 kg
Grapfruit	5 000 x 5 kg
Lemons	700 x 10 kg
Milkpowder	110 653 kg
Meat	214 tons

National Road Fund

319. Mr R A F SWART asked the Minister of Transport Affairs:

- (1) Whether, with reference to his reply to Question No 17 on 15 February 1984, the National Road Fund has been or is to be allocated further funds from petrol sales for the construction of roads; if so, (a) what total amount has been or is to be so

agricultural (a) production and (b) exports in 1984?

The MINISTER OF AGRICULTURAL ECONOMICS:

- R8 791,587 million.

(b) All the particulars regarding exports are not yet available but the estimated amount is R1 764 million.

Surplus foodstuffs

310. Mr R W HARDINGHAM asked the Minister of Agricultural Economics:

Whether any surplus agricultural foodstuffs grown or produced in the Republic and marketed through control boards were distributed to (a) the underprivileged and (b) welfare organizations during the latest specified 12-month period for which figures are available; if so, (i) what foodstuffs, (ii) what quantity of each foodstuff and (iii) what was the total estimated value of the foodstuffs so distributed?

The MINISTER OF AGRICULTURAL ECONOMICS:

- No.

(b) Yes. In some cases the foodstuffs were distributed free of charge, while in other cases it was made available at reduced prices.

(i)	(ii)	(iii)
Quantity	Pockets	Total Value R
122 600 x 15 kg		163 820
9 500 x 10 kg		9 500
5 000 x 5 kg		425
700 x 10 kg		420
110 653 kg		162 856
214 tons		428 058

allocated and (b) when was it or is it to be allocated;

- (2) whether he will make a statement on the matter?

The MINISTER OF TRANSPORT AFFAIRS:

- Yes.

(a) An additional 1,946 cent per litre which according to esti-

The MINISTER OF AGRICULTURAL ECONOMICS:

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Bread subsidy cash to fight hunger proposed

By ANTHONY JOHNSON
Political Correspondent
THE Carnegie Inquiry has proposed a children's feeding scheme sponsored from government funds currently used for the bread subsidy as a strategy for countering South Africa's massive malnutrition problem.

An Oxford University researcher, Mr Peter Moll, has calculated that a supplementary feeding scheme for children would cost about R17-million — and could be drawn from the more than R100-million spent annually on the subsidy.

In the latest paper to come out of the Carnegie Inquiry which is aimed at generating strategies against poverty, Mr Moll proposes a supplementary children's feeding scheme as "a simple, reasonably inexpensive solution to the severe problem of malnutrition in South Africa".

In addition, it would have the related benefits of higher attendance at school and greater pupil motivation and concentration.

He recommends that the government pay 100 percent of the initial capital costs and 75 percent of the running costs. An organized group of teachers and parents at schools or institutions would raise the balance.

This would guarantee community participation in the scheme and act as a catalyst for future community projects.

Mr Moll suggests that a food stamp scheme — targeted specifically at needy groups in society such as pregnant mothers, pensioners and TB sufferers — could complement a supplementary school feeding scheme.

He warns, however, that school feeding schemes have their drawbacks and limita-

tions. Most serious is that they often fail to reach those most in need of "nutritional supplementation", reaching instead the "survivors".

"Children of school-going age are those who have survived the ravages of malnutrition. Their weight, vigour and levels of concentration might not be up to standard, but they will probably not die from malnutrition.

"Children who are too poor to go to school, and those under school-going age, are more vulnerable to malnutrition-related diseases."

Mr Moll cites government figures which suggest that more than two million of the country's nine to 10 million children are well underweight for age.

"It would be ludicrous to attribute a problem as acute and vast as this to ignorance or good eating habits or laziness."

Big bread price rise likely in June

NM 9/5/88 3-Bread

Mercury Correspondent

JOHANNESBURG—A substantial increase in the price of bread is likely from the beginning of June, according to Pretoria sources.

Increased margins in the baking and milling industry, a 7 percent rise in the price of flour from May 1 and the Government's unwillingness to raise the subsidy, have made a price adjustment virtually certain.

In his Budget speech in March, the Minister of Finance, Mr Barend du

Plessis, said the R200 million allocated to subsidise bread this year would not be increased.

Earlier this year the Minister of Agriculture, Mr Greyling Wentzel, warned that a bread price increase was inevitable.

He emphasised that where there were no sound reasons for the maintenance of the subsidy, it would be phased out.

If the price of bread was held constant the subsidy would be exhausted by the start of the

new wheat season in October.

Currently the subsidy on brown and whole-wheat bread was 17,3c a loaf, bringing the consumer price down to 40c.

Until May 1, unsubsidised white bread sold at 60c a loaf.

However, the higher flour price has raised the total cost delivered to retailers to 62,2c.

The additional 2,2c is being met from the shrinking subsidy for the time being.

The bread price was

last raised in October 1984.

A Wheat Board official said it was 'only realistic' to expect a bread price increase if the subsidy was not raised.

Last October millers and bakers' margins were cut.

At the time the Minister of Agriculture indicated the margins would be reviewed during the following six months.

In fact, the margins were raised from May, but to nowhere near the extent justified by higher

costs.

Meanwhile, authorities warned yesterday that a second bread price rise was possible from the beginning of October, the start of the new wheat season, if the producer price of wheat was raised.

According to the Wheat Board, from the beginning of May a 5 kg pack of cake flour was increased by 6,8 percent to R4,20, a 5 kg pack of white bread flour by 7,1 percent to R3,76 and a 5 kg pack of brown bread meal by 7,9 percent to R3,11.

Bread price set to rocket next week

Star 11/5/85

3-Bread

~~Star~~

— by —
Trevor Walker

The price of white bread is to be raised by 10 cents next week and that of brown by eight cents after the Cabinet had decided not to increase the present R200 million bread subsidy.

Government sources said Agriculture Minister Mr Greyling Wentzel will probably announce the increases on Wednesday.

The current retail price of white bread is 54 cents a loaf and brown bread 40 cents. The wholesale price is 2c a loaf less.

Thus the price of a loaf of brown bread, a major part of the daily diet of millions of black families, will be 50 cents.

Last year the Government extended R40 million special relief to the Wheat Board, and this will not be repeated in 1985.

An increase in the producer price of maize was vetoed by the Cabinet last month and the same resolve to hold back on Government spending led to the latest decision that the consumer will have to bear the increase in the cost of bread production.

If the Government does decide to go ahead with this substantial price increase it is likely the whole question of Government subsidies will fall under the spotlight this year.

Ironically, many blacks for whom the artificially low brown bread price is aimed at prefer to buy unsubsidised white — while many of the white population tend to buy brown for health reasons.

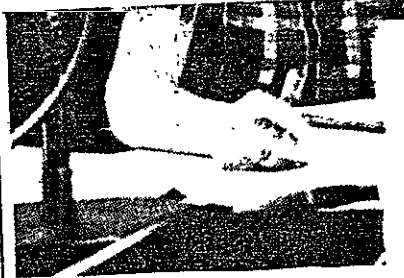
Overall Government spending has risen to 37 percent of gross domestic product, compared with 35 percent in 1981 and treasury officials are keen to see at least a return to this level in the next few years.

The country's foreign exchange and money markets are operating on a relatively free and competitive basis and this thinking is now percolating through into other areas.

Famine relief or cheap food is not best tackled by central Government subsidy. Huge sums like the present R200 million spent on brown bread do not necessarily reach the people for whom it is intended.

The disclosure that the price of bread is to be increased next week has been received with dismay by one of the main consumer organisations in the country.

The chairman of the Johannesburg branch of the Housewives League, Mrs Muriel Preller, said the 10 cents increase on white bread and the eight cents on brown bread were disgraceful.



South African-born Sue presents the BBC program *World* linking Mr Botha with around the wor

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years.

Bread price hike now 'dangerous', says PFP

3 - wheat
NM 20/5/85

Mercury Correspondent

CAPE TOWN—A failure by Government to prevent an expected massive increase in the price of bread could have 'highly dangerous' consequences under present conditions of spiralling unemployment, economic hardship and unrest, the PFP chief spokesman on finance, Mr Harry Schwarz, warned yesterday.

He was reacting to reports that the Government's determination not to increase the current bread subsidy could lead to prices rocketing by 33 percent for brown and 40 percent for white in the next two weeks.

The Minister of Finance, Mr Barend du Plessis, told an Afrikaans Sunday paper the Government was not prepared to increase the present R200 million bread subsidy because it had given an undertaking to stick to its Budget — a measure that formed part of its overall plan to revive the economy.

The Government was serious about bringing down interest rates and inflation and for this reason the subsidies for both the maize industry and bread had to remain constant, Mr du Plessis said.

Rejected

In consumer circles, the Government's stand has sparked fears that the price of brown bread could jump by as much as 16 c to 56 c a loaf, while white loaves could soon cost 81 c — a 21 c increase.

Mr Schwarz said the PFP rejected the notion that if government had to cut its expenditure that this principle should be applied across the board and thereby affect basic commodities like bread.

He said the needs of each department should be justified separately and that 'to shelter behind the argument that increases in prices in highly sensitive areas like staple food is unavoidable is completely misleading'.

Mr Schwarz said the Government often failed to appreciate that its policies had significantly contributed to high unemployment and economic hardship and that these in turn had promoted instability and unrest.

By allowing a dramatic hike in the price of bread, the Government 'would be adding fuel to the flames of unrest' already sweeping the country.

'A massive increase in the price of bread at this time would be politically incorrect, economically shortsighted and highly dangerous in terms of the country's stability,' he said.

③ wheat

~~② Contact Board~~

Wheat Board ^{20/5/85} says act is acceptable

Dispatch Correspondent
PRETORIA — The Wheat Board rejects any attempts to bring about drastic changes in the objectives of the Marketing Act, a board spokesman said after a meeting of the board here last week.

The board's view was that there was sufficient scope within the framework of the Marketing Act to achieve consensus on prices through negotiations with the authorities and other interested parties.

The board, the spokesman said, had noted the present controversy surrounding the marketing of agricultural products. This is seen by observers as a reference to the demands of the maize industry and the agitation

for changes in the marketing system.

The Wheat Board spokesman said on account of the board's market-related approach, and its approach to producer prices, there had been a steady growth in the consumption of wheat products. This was testimony to the sound relationship between wheat producers, the Wheat Board, the authorities and the end consumer.

The Wheat Board reaffirmed its support for the one channel fixed price system where producers' wheat was marketed by the board.

This was not regarded as an instrument to promote the interests of primary producers un-

ilaterally, but to find the best possible arrangements for all branches of the wheat industry, including the consumer.

Chain's bread plan welcome, says big miller

NM

23/5/85

3-Wheat

Mercury Reporter

ONE of the large flour-milling groups with interests in bakeries says it would welcome competition should major supermarket chains be allowed to bake their own Government standard-size bread.

Reacting to moves by the Pick 'n Pay group who are seeking Government approval to bake the standard 900 gm loaf, a spokesman for the Tiger Oats group said: 'We don't believe there should be restrictions on free competition.'

Pick 'n Pay chairman Raymond Ackerman has said he was trying to arrange a meeting with Minister of Agriculture Greyling Wentzel to get the necessary approval to bake standard-size bread.

Unreasonable

He said his company was seriously considering a scheme to sell cheaper bread to the public on a large scale.

Mr Ackerman accused three large milling groups of making unreasonable demands on the Government, resulting in bread price increases.

The Tiger Oats spokesman said the group could not comment on Mr Ackerman's allegations 'because we do not know what he is referring to when he says the three

large milling groups are making unreasonable demands on the Government'.

In any event, said the spokesman, it was not clear whether Mr Ackerman's remarks were directed at them.

Two other major supermarket groups, Checkers and Spar, said if they could overcome Government restrictions, they too would bake their own bread.

Problems

Mr Brian Beavon, managing director of Spar, said his company's bakery licence allowed them to make only 'fancy' bread.

'I believe the aim (of Government legislation) is to prevent every Tom, Dick and Harry baking standard bread as it could cause problems,' said Mr Beavon.

He said his company had never applied for a licence to bake the standard bread: 'You just don't get them.'

Mr Paul Fox, divisional director of Checkers in Natal, said he believed if his company were able to bake standard bread they could avoid a price increase and possibly lower it.

The three large baking companies would not comment on Mr Ackerman's plans.

Supermarkets

'can give away bread if they like'

NM 24/5/85

3 - wheat

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Mercury Reporter

SUPERMARKETS can make their own bread and sell it cheaply as long as they don't bake the bread in tins, according to a Wheat Board spokesman.

The spokesman also said the price of 'special' bread was not fixed, and supermarket chains were free to sell it as cheaply as they wanted to.

'They can give it away for nothing if they want to' he said reacting to statements by the Pick 'n Pay chain that it was seriously considering seeking Government approval to bake its own Government standard-size bread.

He said the biggest difference between special and Government bread was that Government bread was baked in a tin.

'This is to enable the consumer to know that it is a subsidised loaf.'

There was nothing to prevent the supermarket chain from baking its own bread according to the Government recipe and then selling it cheaply, he said.

Competition

The spokesman said no application to bake Government bread had been received from the supermarket chain, but all applications were dealt with on merit and on the demand in a particular area.

'What we do is to try to eliminate excessive competition which pushes up the price of bread.'

Officials have expressed disbelief that the supermarket chain could sell the Government loaf at less than the fixed price, citing a survey by the Department of Agriculture showing that the

price of bread, especially brown bread, is below cost.

Mr Raymond Ackerman, chairman of the Pick 'n Pay chain, this week accused the three large milling groups of making unreasonable demands on the Government which resulted in bread price increases.

Yesterday, the joint managing-director of Premier Food Industries, Mr Walter Wolthers, said because returns in the milling and baking industry were so low, it had been forced to become 'super-efficient'.

Response

'Saving becomes a religion' he said, 'and South Africans are buying the cheapest bread in the world by miles.'

He said it was difficult to judge what the Wheat Board's response to the

supermarket chain's moves might be, but he did not think it was a foregone conclusion that an application would be turned down.

Because of delivery costs, he said, bread baked at the point of sale would yield a better return, and because of this, the Cabinet could consider a scheme whereby there was one price for Government bread that was delivered, and another price for Government bread baked at the point of sale.

Millers and bakers had no say on what subsidy should be granted. This was a Cabinet decision, and the Government was severely cutting down on subsidies.

He believed that criticisms of the Wheat Board over its granting of licences to bake Government bread were unjustified.

Fiske has a great deal to say Wheat Board man

Cape Times 28/5/85 3 wheat

From Wheat Board general manager Mr D F van Aarde:

I would like to make the following comments in response to last week's article in WATCHDOG under the heading "Monopoly Profits: How The Big Boys Make Heavy Dough."

It amazes me that you refer to Mr Fiske as an agricultural economist and an expert on certain boards. Having attended an agricultural college for a few years is certainly no qualification to be crowned with the title of economist.

I also doubt whether Mr Fiske can be considered to be an expert on any of the boards mentioned in the article. He is certainly no expert on the Wheat Board.

I am completely unable to recall ever having read such a conglomeration of concentrated piffle as the comments by Mr Fiske. His statement that he finds it quite incredible that neither the government nor the opposition can see where the big feed companies "get their strength from" etc implies that only he is endowed with the heavenly knowledge and insight in these matters.

The Wheat Board's policy of restrictive registration has brought order out of chaos in both the milling and baking industries and has contributed towards keeping the price of bread at an exceptionally low level. Mr Fiske is undoubtedly well qualified to tell us what the price of bread is in his country of birth, but why does he not do so?

Mr Fiske refers to monopolies and protectionism in the two industries. He seems to be totally ignorant of what is happening in similar industries overseas. As a so-called economist, Mr Fiske should be well aware of the fact that in most major Western countries with a free enterprise economy there is a natural tendency for capital intensive industries to

The doughmakers

THE story so far: last week WATCHDOG gave figures which showed that bread price increases have consistently exceeded the annual rate of inflation for most of the past decade.

Premier Milling, one of the big milling and baking groups, replied with figures which showed they were almost in the poorhouse. Symond Fiske, a Maritzburg-based agricultural economist, asked them to pull the other leg and claimed Wheat Board controls were featherbedding the industry.

Now read on...

merge and to rationalise their operations.

To illustrate this point I wish to submit the following: in South Africa 94 percent of the milling industry is controlled by five milling groups and 84 percent of the baking industry is controlled by five baking groups. Twenty-two small mills fall outside the control of these five milling groups and 140 bakeries fall outside the control of the five major baking groups.

There are also 1 500 independent confectionery bakeries in this country. □ In Canada, with a population of 25 million, 71 percent of the milling industry is controlled by three milling groups.

□ In the US, with a population of 236 million, 92 percent of the milling industry is controlled by 10 milling groups.

□ In Australia, with a population of 15 million, 80 percent of the milling industry is controlled by five milling groups.

□ In the United Kingdom, with a population of 56 million, 80 percent of the milling industry is controlled by five milling groups and 56 percent of the baking industry is controlled by two baking groups.

Mr Fiske blames the oligopolistic tendencies in the two industries in South Africa on the restrictive registration policy of the Wheat Board. How does he ex-

plain similar tendencies in all of the Western countries mentioned above? Or is the South African Wheat Board's policy also to blame for this?

The Wheat Board would welcome any new entrant into the milling industry. If Mr Fiske or any of his friends should be interested in sharing in the so-called monopolistic profits of the milling industry, they can be assured of immediately being granted registra-

tion. It will, however, cost Mr Fiske at least R20 million to erect a medium-sized mill capable of milling 15 tons of wheat per hour. He will require a further R14 million for working capital. Mr Fiske's statement that monopoly profits are made by all bakers and millers is ridiculous and unfounded in the extreme.

Low profitability

Many bakeries have been forced to close down due to low profitability. In many cases, milling groups have been forced to buy out bakeries to recover debts and, because of the high cost of re-equipping the bakery, they had to close it down.

A full investigation regarding the viability of an applicant bakery is carried out in each case to guide the Wheat Board in its decision regarding

the granting of such application. The baking capacity in this country is at present far in excess of its requirements.

Due to the low profit margins in this industry, bakers have in some cases been forced to withdraw from certain delivery routes. One of the major functions of the Wheat Board is to keep costs in the two industries as low as possible.

The board has certainly achieved this if one only looks at the total cost of manufacture of a loaf of bread which, together with delivery costs and the retail margin but excluding the cost of meal or flour, constitutes only 62 percent of the unsubsidized price of bread.

Compare this with a corresponding figure of 92 percent in the USA, then the Wheat Board certainly earns a pat on the back, taking into account that the total administrative cost of the Wheat Board represents only 0.4c per loaf.

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As award pays on brown bread mere payn bake

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and Fiske

● A man does not need a uni doctorate or a pension from the Wheat Board to recognise economic privilege when he sees it.

● The price of bread in a p country of birth does not in with his ability to think logic years later. Working too lonj superfluous bureaucracy is entirely more dangerous.

● What is happening or ha pended in Canada, Australia at United Kingdom is and can be cause for the perpetration of tices here.

● As it happens the governme each of those countries have a lar history to ours of meddling wheat and bread industries at t hest of co-operatives, big bus and some rather muddled grad of economics. It is not entire incidental that similar results, been engendered wherever thi happened.

● If South Africa had a free m and I wanted to mill some whe bake some bread, I would not ha invest anything like R34 million wife has just confirmed that sh

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Bread price rises

3-Wheat 30/5/85
 The price of white and brown bread is to be increased by five cents a loaf from June 1.

Announcing this in Cape Town yesterday, the Minister of Agricultural Economics and Water Affairs, Mr. Greyling Wentzel, said another hopefully "moderate" increase was likely in October.

A loaf of white bread would cost 65c from June 1 and a brown loaf 45c, Mr. Wentzel said.

He told a Press conference that if current prices were maintained, the R200-million subsidy on bread provided for in the budget would have been used up by October 1, the beginning of the new wheat season.

Mr. Wentzel announced the appointment of a commission to investigate the effectiveness of the bread subsidy system.

TOMORROW

6	7	8	9
5	13	2	1

Full racing cards for tomorrow and Saturday

has Saturday at 12 noon.

Zambia wants more wheat

^{WPA 3/15/68}
LUSAKA (Zambia) has ordered another 33 000 tons of wheat from South Africa, bringing the total to 41 000 tons, to avert a bread shortage, a spokesman for the Industrial Development Corporation (Indeco) told Reuters. *3 - wheat*

Last week, the spokesman announced that Zambia had ordered 8 000 tons of wheat from a South Africa. ~~the~~

Last weekend agriculture and water development minister General Kingsley Chinkuli said the import of wheat had ruined the economies of many third world countries and should be avoided at all costs. *WPA*

Cheaper bread if go-ahead is given

Mercury Reporter

CONSUMERS could pay anything between 5 c and 8 c less than the current price for a loaf of Government-subsidised bread if an application to the Wheat Board by Pick 'n Pay is approved.

General manager of the Durban North Hypermarket Martin Rosen said the scheme — enabling bakeries in the company's stores throughout the country to bake and market their own standard 900 g loaf — could see consumers paying between 57 c and 60 c for a loaf of white bread, and between 37 c and 40 c for a loaf of brown bread.

At the moment a loaf of subsidised white bread costs a maximum of 65 c while a loaf of brown bread costs 45 c.

Just last month the price was increased by 5 c with Minister of Agricultural Economics and Water Affairs Greyling Wentzel issuing a warning that another 'moderate' hike could be expected in October.

The application, and the reply, could change the face of the bread industry.

Several other supermarket chains have said in the interim they would follow the lead if Pick 'n Pay was given the go-ahead.

Yesterday Mr Rosen said the chain was hoping to get approval without 'unnecessary restrictions and handicaps', such as not being allowed to bake the bread in tins.

'We have the facilities and the right equipment, and really do not want to have to fiddle around with cardboard boxes and the like.'

Bread price may jump by 20 cents in face of twin assault

June 1985

Own Correspondent

DURBAN — The price of bread could jump by as much as 20c a loaf before the end of the year unless the Government increases the bread subsidy which will run out by the end of September.

At the same time wheat farmers will be asking for an increase in the price paid for their crops, so the bread price faces a twin assault.

"Either the Government will have to put in more money or the consumer will have to pay a higher price for bread," said Mr Bill Lacey, of the Associated Chambers of Commerce.

"We do not know how much the Gov-

ernment will allocate for the bread subsidy but considering that they are strung for cash and reluctant to fund extraneous expenses, we will have to wait and see."

The allocated R200-million will be used up by early October and with the Government policy of limiting involvement in the economy in the stringent economic climate, many believe that the chances of a substantial subsidy boost look decidedly unlikely.

At the same time it appears likely that wheat may have to be imported. The Eastern Free State, which normally produces about half the country's wheat crop, is in a grim drought and in the Western the Western, Cape rains are also late.

Wheat

CMT Imps 20/6/85 (18) 36 Leaf

Bread subsidy probe

PRETORIA. — The Minister of Agricultural Economics and of Water Affairs, Mr Greyling Wentzel, yesterday announced the appointment of a commission of inquiry by the State President, Mr P W Botha, into the government's bread subsidy scheme.

Mr F J Davin will chair the commission. Particular reference will be given to the "justification of the scheme".

The commission will also report on the nature and extent of the subsidy, sources from which it should be financed and the method of application of the scheme to ensure the most effective use of the subsidy to the advantage of less privileged consumers.

The commission is to report back by September 15.

Other members of the commission are Mr Raymond Ackerman and Dr W W Anderson.

Those wishing to submit evidence to the commission should contact the secretary of the commission, Mr S C H Alberts, of the Department of Agricultural Economics and Marketing, at (012) 206-3155 or Private Bag X250, Pretoria 0001, before July 31 — Sapa

October bread price rise likely

10/7/55
3-wheat
Mercury

Mercury Correspondent
PRETORIA—The bread price is likely to rise again in October — for the second time this year — by as much as 15 c or 20 c a loaf.

Among factors which will influence the extent of the increase are:

The Government subsidy of R200 million will run out before the start of the new wheat season in October.

The wheat price is sure

to be raised; and

Millers' and bakers' margins are expected to be raised again.

If the subsidy is not increased — and authorities in Pretoria say it is not likely to be — then another 12 c a brown loaf would have to be added to the adjustment calculation.

However, Wheat Board sources say that if an increase is decided on, it would probably be im-

posed in two stages, four of five months apart.

The bread price was raised in May by 5 c a loaf — brown to 45 c and white to 65 c. Before a decision on the price is taken, however, Agriculture Minister Greyling Wentzel will have the report of the commission he appointed last month to investigate the bread subsidy and to advise him on whether it should be continued.

He wants guidance, too, on whether lower-income groups are getting the full benefit of the subsidy. Wheat Board general manager Dennis van Aarde said yesterday the board would meet in Pretoria later this month to decide on a wheat price increase recommendation.

Farmers, he said, had a sound case for an increase to compensate for rising production costs.

Shock at
likely ^{3-Wheat}
price rise
of bread

NM 11-7-65
Mercury Reporter

SPECULATION that the price of bread will rise by 15 c or 20 c a loaf in October is 'quite frightening', a spokesman for a major supermarket chain said.

'If the price does rise by that much it will be devastating,' the Pick 'n Pay spokesman said.

Several months ago Pick 'n Pay applied for a licence to make cheap Government standard-size bread, but as yet have not received a reply.

The spokesman said it had already cost the group R500 000 to hold the bread price down since the last increase in June of 5 c a loaf.

If the expected increase does occur a loaf of white bread could cost as much as 85 c and brown bread 65 c.

'We would have to decide whether we could afford to absorb an increase such as this at the moment,' said the spokesman.

The likely increase is said to be a result of the Government subsidy of R200 million running out before October and an expected increase in the wheat price.

However, before a decision on the price is taken Agriculture Minister Greyling Wentzel will have the report of the commission he appointed last month to investigate the bread subsidy and to advise him on whether it should be continued.

Wheat Board holds grip on R70m fund

~~Wheat~~ (3) Wheat B-Day 11/7/85

By GERALD REILLY

The Wheat Board is not likely to use any of its R70m stabilisation fund to minimise the expected big increase in the bread price from October 1.

The bread-price issue, as well as the board's recommendation for a wheat-price increase, are on the agenda for a meeting in Pretoria this month.

GM Dennis van Aarde said yesterday that last year the board gave the government R40m to keep bread prices down to a minimum.

Stressing the importance of keeping the R70m fund intact, Van Aarde said that if the board had a surplus in the 1986-87 season of, say 500 000 tons, and had to export under current market conditions, the loss could amount to R150 a ton or a total of R75m.

"It is clear, therefore, that we cannot under the circumstances risk depleting the fund further."

On the prospects for this season's crop

and the possibility of supplementary imports, Van Aarde said that the drought had caused heavy damage in the Free State where about three-fifths of the total crop was normally harvested.

A shortfall next year was, therefore, likely and, in spite of the 500 000-ton carry-over — about three months' supply — wheat would probably have to be imported.

However, Van Aarde, back from a meeting of the International Wheat Council in London, said that world wheat surplus was enormous and prices had dropped. To reduce its surplus the US was selling at a discount of 25% to meet competition from EEC countries.

"If we do import next April or May at least the prices will be strongly in favour of the buyer," he said.

Strike vote threatens

bread deliveries

Labour Reporter

BREAD deliveries to Durban and its surrounding areas, including Pinetown and parts of the North Coast, are in danger of being disrupted next week after more than 1 200 workers from all the major bakeries yesterday voted to strike in support of their wage demands.

Votes cast by them earlier in the week were counted yesterday morning by Industrial Council officials in the presence of scrutineers from both the employer and trade union parties.

About 68,5 percent of the work force of 1 782 voted in favour of strike action after wage negotiations in the Durban Industrial Council for the Baking and Confectionery Industry ended in deadlock.

The workers have rejected the employers' final offer of R11,40 a week and are demanding a R23-a-week increase with minimum wages set at R105,50 a week.

Statement

The parties involved in the negotiations included the Master Bakers' Association, representing the major bakeries and representatives of the Natal Baking Industry Employees' Union; the Sweet, Food and Allied Workers' Union; the Food and Beverages Workers' Union and the Black Allied Workers' Union.

A joint statement yesterday by the four unions

involved said a request had been made to bakeries outside the sphere of the dispute not to deliver bread to Durban, Mobeni, Pinetown, Tongaat and Stanger.

Mr Maurice Grant, chairman of the Durban Master Bakers' Association, told the Mercury the employers' final offer of R11,40 a week across the board would have had the effect of bringing the lowest paid worker up to R93,90 a week — representing an increase of 13,8 percent.

Unrealistic

'Further, two existing non-delivery days were to be converted into paid holidays and the hours of work for security guards reduced to 48 hours a week.'

He said employers found other demands unrealistic and unreasonable.

The Industrial Council controls bakeries in the greater Durban area.

Bakeries included are all the big ones in Durban, namely BB Bakers, Blue Ribbon and Albany, and Wareings in Pinetown.

Bread shortage could hit Durban consumers

THOUSANDS of residents in Durban and surrounding areas could be hit by a bread shortage if local bread industry workers go ahead with an expected strike.

Workers and management are geared for a head-on clash next week in their dispute over wages and working conditions.

The workers, who have voted overwhelmingly in favour of a legal strike to resolve their dispute with management, are due to meet tomorrow for a final decision on what action to take.

Trade union officials, although not positive that the strike will take place, did not rule out the possibility of a last-ditch resolution to the dispute.

A spokesman of the Durban Master Baker's Association said in spite of the threat of a strike, they have made it clear that their offer of increase of R11.40 a week was final.

Options

The workers are demanding an increase of R23 a week, a minimum weekly wage of R103.50 and better working conditions.

The spokesman said the strike action will obviously cause a disruption of bread and some confectionary supplies in the Durban area. Bakeries were deciding on what their options were if a strike took place.

The companies will try to continue producing bread because it is a basic commodity.

A union spokesman said unions had launched a campaign to explain to the workers the position. They have also explained to the community to avoid being used by management which might employ scabs.

The spokesman said community organisations in the area have offered their support to the workers.

The unions involved in the dispute with the employers at the In-

dustrial Council are: Sweet, Food and Allied Workers' Union, the Natal Baking Industry Employees' Union, the Food Beverage Workers' Union and the Black Allied Workers' Union.

• ESTIMATES by local businessmen and industrialists put the stayaway of black workers in the Pietermaritzburg area as high as 90 percent while others have reported a total stayaway.

However, the Pietermaritzburg Chamber of Industries has estimated the boycott by workers in firms affiliated to it as about 60 percent.

In a statement yesterday the chamber's president, Mr Louis Sennet, said a survey indicated the stayaway ranged from 10 percent in some firms to 100 percent in others.

3- without

Sowetan 19/7/85

ABOUT 400 000 loaves could end up on the waste heap while people scramble for bread because of a strike.

The loaves are destined for the scrap heap because workers baked bread on Sunday night, but refused to deliver Durban's daily requirements.

Mr Maurice Grant, vice-chairman of the Durban Master Bakers' Association, said arrangements were being made to donate some of the bread to Operation Hunger, but it depended on whether the delivery trucks could leave the premises 'with any degree of safety'.

'To throw away this much food when people are suffering from malnutrition in the rural areas is appalling. At some bakeries we are being prevented from getting the bread to the people and the unions have told us that customers should not try to collect.

'At this stage, therefore, we cannot deliver and would not recommend that people call at bakeries for bread. It could spark something off,' he said.

About 1 800 workers at seven bakeries in Durban, Tongaat and KwaMashu went on strike at 5 30 a m yesterday in support of their demand for a R23 across-the-board pay rise.

No incidents

The bakeries affected are Bakers BB Bread in Durban, Albany Bakery, Blue Ribbon and Wareings in Pinetown, Tongaat Bakery and KwaMashu Bakery.

At Bakers BB Bread, about 700 strikers remained on the premises all day yesterday and were planning to stay on last night. Most of them spent their time singing and dancing, but there were no incidents.

The strike was called jointly by the Sweet, Food and Allied Workers' Union, Natal Baking Industry Employees' Union, Food and Beverages Workers' Union and the Black Allied Workers' Union after wage negotiations deadlocked.

Small bakeries and bakeries in supermarkets worked flat-out yesterday to cash in on a huge demand for bread on the first day of the strike.

Some laid on extra shifts. But consumers who crowded counters paid a premium — almost no Government-standard bread was available and 'special' bread was being sold for as much as 90 c a loaf.

However, some supermarkets claimed to have reduced the price of special bread in the interests of consumers.

'Our ovens haven't been empty since 6 a m,' said Mr Clive Walker, manager of Checkers Davenport Road branch which has the biggest bakery in the supermarket chain.'

Mr Vernon Mitchell, Pick 'n Pay's Natal general manager, said: 'It's been hectic. There was a panic and people have been rushing in.'

Spar's Natal managing director, Mr Brian Beavon, said: 'Generally things are going okay, although customers are having to wait for bread.'

A spokesman for the unions involved yesterday blamed employers for the strike 'because of their hard-headed attitude in refusing the workers' demands for a living wage, in spite of the fact that the bread price will go up between 15 c and 20 c in September'.

At present the lowest paid worker earns R82 50 a week which the workers want increased to R105 50 a week.

Last night 1 800 bakery workers were still on site at most bakeries, having been there for most of the day. It appeared that the strikers were not going home, seemingly preferring to sit it out overnight said a spokesman for the Durban Master Bakers' Association.

'They have told us that they don't want people to collect their own bread either, and there are large mobs around the gates to most bakeries,' the spokesman said.

Bread from Pietermaritzburg bakeries would not be brought into Durban to alleviate the shortage because trade unions had 'promised violence' if this were done, he added.

Bread scramble as loaves pile up

Mercury Reporters

NM 23/7/85
3-Wheat
KwM
KwM

Mill workers join bread strike

DURBAN — The bread strike in Durban took a new turn yesterday when employees at Bakers Flour Mill, on the same premises as BB Bread, also stopped work and halted production.

The 160 mill workers joined the 700 baking workers who stayed on the premises last night,

ostensibly to prevent the 400 000 loaves baked at the weekend from being distributed. 23/7/85

Yesterday people were rushing to shops for flour to bake their own bread.

The managing director of Bakers Flour Mill, Mr R L Sullivan, said the workers went on an illegal strike two hours be-

fore a conciliation board meeting was scheduled to settle a wage dispute with the company and the Sweet, Food and Allied Workers Union.

“Management have made a final offer of R99,50. The union is demanding a minimum wage of R108,40 a week.”

— Own Correspondent.

Red Cross saves only 5 500 loaves from bread 'mountain'

Mount

11388

NM

24/7/55

1800

3-wheel

Mercury Reporter

THE Red Cross was able to remove only about 5 500 loaves out of a mountain of more than 100 000 loaves of bread at BB Bread's Sydney Road factory yesterday.

Striking bakery workers yesterday held discussions and agreed to allow Red Cross trucks to enter the factory and take bread for Operation Hunger. The operation will continue today.

But the flat-bed trucks and vans mustered by the charity proved unequal to the task. A BB Bread spokesman said: 'Our company's got a fleet of 80 trucks designed to carry bread daily.'

'What the Red Cross was able to take was only a drop in the ocean.' The bread was baked at the weekend but strikers would not allow it to be delivered.

Dispute

Mrs Inka Mars, chairman of the Red Cross in Natal, said: 'I can only congratulate people that common sense prevailed and we were allowed to take bread.'

Yesterday's operation appeared briefly to be in jeopardy when a dispute arose over who should load the bread but the management mustered non-union, mainly white employees to do the job. Hundreds of singing, dancing strikers crowded

Diakona, the Settlers Home for the Aged and in the Mahlabathini area north of Ulundi where people were starving. She said the bread had seemed 'surprisingly fresh' when she examined it and she was sure it would still be fit for consumption today.

Glad

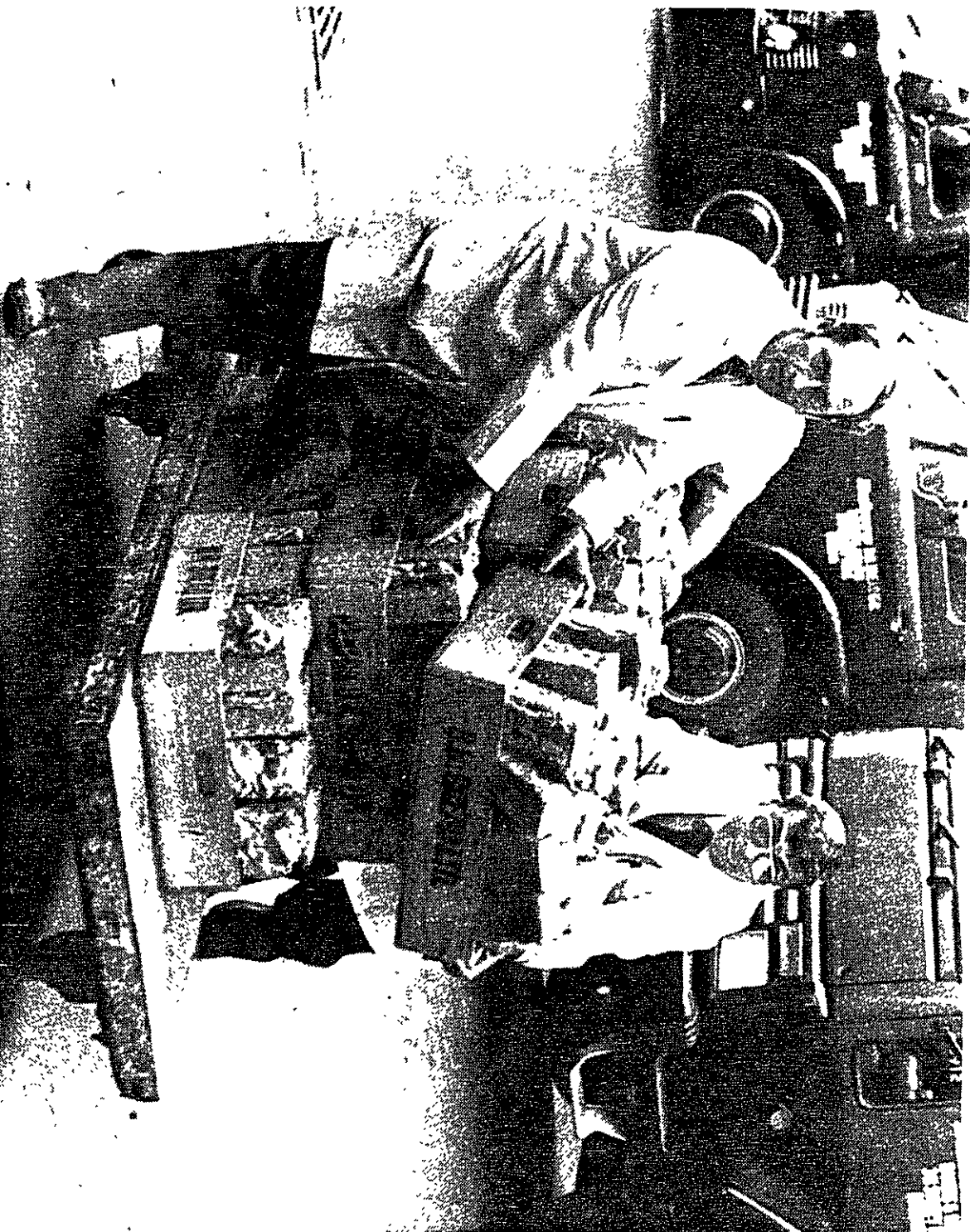
Mr Grant said workers had allowed customers to collect bread at Blue Ribbon, Tongaat and Albany bakeries. Only the pile at BB remained to be disposed of.

'We were glad the Red Cross could get some of that bread away to needy cases,' he said.

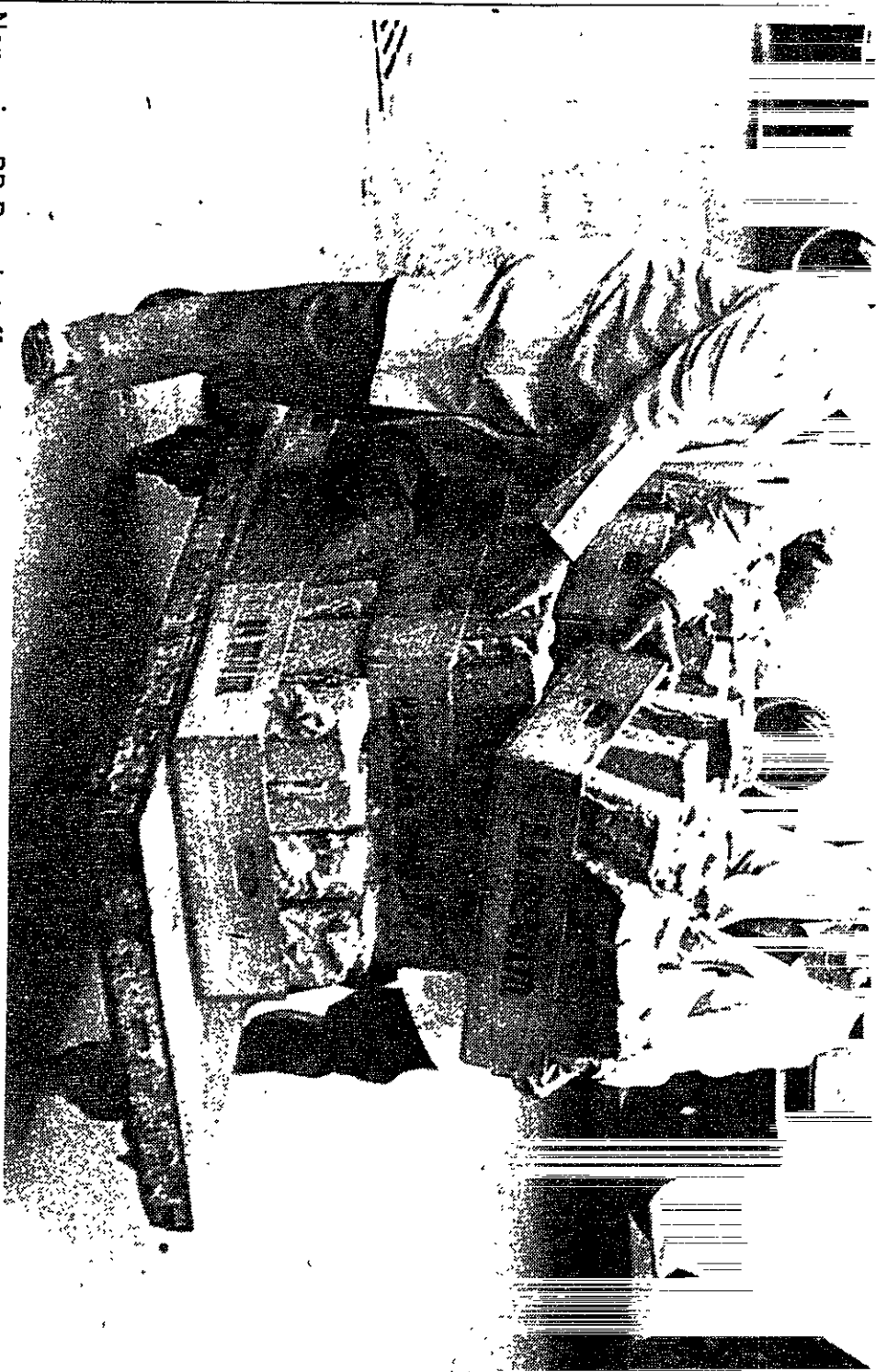
A statement from the Durban Master Bakers Association said last night that a point in the strike had been reached, 'where no immediate solution appears to exist.'

It said there was 'serious doubt among employers whether the unions have fully realised the consequences of their strike action.'

'The unions' demands are still damaging the prospects of a settlement and the situation remains tense.'



Non-union BB Bread staff on the way to work



Non-union BB Bread staff on the way to throw away hundreds of loaves which had spoiled in the ovens when the strike began.

Strike keeps Durban flour mill shut

Labour Reporter

THERE was still no production at one of Durban's large flour mills, Bakers, yesterday as the 160 workers who joined the bakery workers' strike refused to return to work.

A spokesman for the Sweet, Food and Allied Workers' Union said

workers were frustrated with their wages and were not prepared to be divided from their colleagues in the baking industry.

The mill, which is on the same premises as BB Bread, supplies flour to bakeries owned by Bakers Ltd.

Supplies to supermar-

kets are not likely to be affected.

The union spokesman said that in the past wage negotiations had been made jointly for the bakery and mill workers. She said wage negotiations had started in April and after 10 meetings the company was still not prepared to meet the

workers' demands.

Mr R. L. Sullivan, managing director of the flour mill, said worker representatives and officials of the union failed to appear at the conciliation board meeting yesterday morning. The board had agreed to reconvene.

Meanwhile, the workers remained on illegal

strike at the mill and remained on site overnight.

'The management had agreed not to take any drastic action against workers before today, to give the union an opportunity to persuade the workers to return to work and continue negotiations at the conciliation board.'

Red Cross trucks to enter the factory and take bread for Operation Hunger. The operation will continue today.

But the flat-bed trucks and vans mustered by the charity proved unequal to the task. A BB Bread spokesman said: 'Our company's got a fleet of 80 trucks designed to carry bread daily.'

'What the Red Cross was able to take was only a drop in the ocean.'

The bread was baked at the weekend, but strikers would not allow it to be delivered.

Dispute

Mrs Inka Mars, chairman of the Red Cross in Natal, said: 'I can only congratulate people that common sense prevailed and we were allowed to take bread.'

Yesterday's operation appeared briefly to be in jeopardy when a dispute arose over who should load the bread but the management mustered non-union, mainly white employees to do the job.

Hundreds of singing, dancing strikers crowded around the factory gates but parted to allow trucks to leave. In spite of their aggressive chanting, strikers remained remarkably good-humoured and polite.

The Red Cross had discussions yesterday with both management and the union. Workers suggested to the Red Cross that some bread be distributed to striking Sarmcol workers in Mpopment near Howick, members of a fellow Fosaal union.

Mrs Mars said bread had been distributed to the Kwamashu Polyclinic,

north of Ujundi where people were starving. She said the bread had seemed 'surprisingly fresh' when she examined it and she was sure it would still be fit for consumption today.

Glad

Mr Grant said workers had allowed customers to collect bread at Blue Ribbon, Tongaat and Albany bakeries. Only the pile at BB remained to be disposed of.

'We were glad the Red Cross could get some of that bread away to needy cases,' he said.

A statement from the Durban Master Bakers' Association said last night that a point in the strike had been reached, 'where no immediate solution appears to exist.'

It said there was 'serious doubt among employers whether the unions have fully realised the consequences of their strike action.'

'The unions' demands are still damaging the prospects of a settlement and the situation remains tense.'

The statement confirmed that workers remained on site at all factories around Durban, except Albany and Wareings in Pinetown, where management and union leaders had agreed workers could leave at night and return in the mornings.

Capital bread rush

NM

Pietermaritzburg Bureau

July 85

BREAD was in short supply here early yesterday as Durban people invaded Pietermaritzburg to stock up for the weekend. ~~42~~ 3-WINDAT

Local tearoom owners said that by early yesterday afternoon they were battling to cope with the demand for bread and many were down to their last few loaves.

They attributed the rush to people travelling from Durban to stock up for the weekend.

'For the past three days we have been selling a lot of bread and people from Durban have bought up large supplies. Many drive away with a dozen or more loaves,' one tearoom owner said.

'I was almost cleaned out by early this morning,' said another.

Patients make do with porridge

Mercury Reporter *NM 24/7/85*

KING EDWARD VIII Hospital in Durban switched from bread to mealie-meal porridge yesterday as the strike by about 1 000 bakery workers continued into its second day.

St Augustine's Hospital on the other hand was 'importing' bread from Albany Bakery in Pietermaritzburg yesterday.

Spokesmen for other provincial and private hospitals in and around the city said that they were using up bread which they had stockpiled in freezers in anticipation of the strike.

Dr Justin Morfopoulos, medical superintendent of King Edward VIII, said attempts had been made to obtain bread from local bakeries, but it was abandoned after fears had been expressed for the safety of the drivers.

'We've switched to mealie-meal porridge instead,' he said.

The senior hospital secretary at Wentworth Hospital said they were still getting their daily supply of bread from 'an outside source'.

Meanwhile, Albany Bakery in Pietermaritzburg reported a 'big demand' for bread from people in Pinetown and Durban.

'We sent three trucks of bread to Pinetown and some people from Durban arrived in Kombis to pick up bread.'

● See Page 2



Chicago—The future 'Mrs Rambo', flaunts all in the September issue of *Play*. Danish-born Brigitte Neilsen, 21, is the just started her second film role in *St*. ple announced their engagement.

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Wynne fined R250 for interference

By Richard McMillan

NATAL jockey Patrick Wynne has been fined R250 for causing interference to three horses during the running of the Computaform Juvenile Futurity Stakes at Clairwood last Saturday.

Wynne rode Direct Connection into fourth place in the race and was found guilty at an inquiry in Durban yesterday of causing interference to Kerry Piper, Class and Cape Cloud.

He was charged Jockey Club Rules and was found failing to take care and caution to prevent interference to other runners.

The interference place at two points home straight as field had moved outside of the track take advantage better going.

Advertisement deadline
TOMORROW'S Mercury will be printed in two so the deadline for classified lineage advertisement is noon today.

Punter reaps

Mercury Correspondent

JOHANNESBURG—One lucky punter scored a jackpot at Newmarket in Alberton yesterday R607 856,60.

Who he or she is the course public relations declined to say, but they confirmed that a punter had won the money.

Out of a gross pool of R810 475 and a dividend of R607 856,60, the winner got the lot by selecting the 2nd and 4th legs in yesterday's

Strikers bar Red Cross bread trucks

Own Correspondent

2-Wheat

DURBAN Striking workers at BB Bread in Durban today refused to allow any further Red Cross trucks on to the premises to collect the remainder of the bread baked at the weekend.

A spokesman for the Sweet, Food and Allied Workers' Union claimed the workers and shop stewards had taken this decision after a combi which had collected bread at the bakery yesterday was allegedly seen selling bread.

We were given guarantees by the Red Cross that the bread it took from the bakery would not be sold.

Star 2/17/85

Dismissal threat to strikers

As the Durban bread strike entered its fourth day yesterday the Master Bakers' Association (MBA) issued a warning to striking workers that they would be dismissed if they did not return to work. *Start 26/7/85*

The 1 800 workers have been on strike since Monday to back a demand for an across-the-board weekly rise of R23 as against a management offer of R11,40.

On Tuesday they were joined by 160 colleagues from a flour mill at one of the affected bakeries, BB Bread.

The MBA said in a statement that workers had been told when paid money due to them that they could not indefinitely occupy bakery premises.

Employers had pointed out to the workers that their "services might be terminated if the strike continued", the statement said.

Bread again from biggest bakery

July 1985

Mercury Reporter

BAKING has started again at Durban's biggest bakery, which has been paralysed by a strike for a week.

The strike by employees at B B Bread, Albany Bakery, Blue Ribbon Bakery, Betta Bread, Premier Pies, Tongaat Bakery and Wareings entered its second week yesterday.

But monthly paid staff at B B Bread in Durban yesterday managed to produce about 25 percent of the factory's usual daily supply of brown bread.

Mr Maurice Grant, managing director of B B Bread, said the bakery's regular customers would be able to collect a quarter of their

usual order from the bakery from 8 a m today. The bakery could not deliver any bread.

Workers who had occupied the factory all week moved out on Friday after the bakery management applied for a Supreme Court order to evict them. Striking employees at the Bakers Flour Mill left the mill premises at the same time.

Mr Grant said the monthly paid staff had spent Saturday cleaning the factory and emptying delivery vans, which had been standing full all week.

The bread which had been in the vans was still edible, although very stale, and was handed over to several charitable organi-

sations for distribution to the needy.

'But the bulk of the bread — about 60 000 loaves — had to be thrown away.'

Mr Grant said the bakery's attempt to bake bread again was not a 'publicity stunt'.

'It is a genuine attempt, with the limited resources available to us, to make bread available to the ordinary consumer again.'

Workers from the seven bakeries decided at the weekend not to return to work until their demands for a R23 a week pay rise were met.

The unions representing the workers have rejected an offer of an increase of R11,40 a week.



A crowd of sympathetic factory workers, carrying sticks and banners, marched to the nearby Durban's BB Bread bakery yesterday to express their solidarity with striking workers.

Crowd gathers at bakery to support strikers

MORE than 100 people from Clover Dairies and neighbouring factories marched down Sydney Road to Durban's BB Bread bakery yesterday to express their solidarity with the striking workers.

The chanting demonstrators, including workers from Clover Dairies, carried banners and waved sticks and knobkieries as they marched and assembled in front of the main gates to the bakery.

They were joined in singing and dancing by the hundreds of strikers in the bakery premises before marching back along Sydney Road to Clover Dairies.

When riot police arrived in a convoy of vans, the demonstrators were in Commodore Road, almost nearing the back entrance to Clover Dairies. The police did not intervene.

A trade unionist at the scene praised the police for the 'commendable manner' in which they handled the situation.

'The demonstration was purely a peaceful gesture on the part of workers expressing solidarity with the bakery workers. Police intervention would have only aggravated an already explosive situation,' he added.

Meanwhile more than 2 000 striking bakery workers were yesterday

given an ultimatum by the managements of the affected bakeries that if they did not return to work by Sunday they might be dismissed.

The warning was given in English and Zulu in notices included in their pay packets as the strike over a pay dispute dragged into its fourth day.

Workers from seven bakeries — BB Bread Ltd, Albany. Blue Ribbon, Beta Bread in Stanger, Premier Pies, Tongaat Bakery and Wareings in Pinetown — rejected employers' offers of an R11.40 a week pay rise and are demanding a R23 a week increase.

They were later joined by workers from Kwa Mashu and Umlazi bakeries.

In another development yesterday, strikers on the BB Bread premises — some of whom had been at the site since Sunday — were told to vacate the premises by 4 p.m. yesterday, but after talks with the management they were allowed

to remain on the premises last night.

A spokesman for the four trade unions involved in the pay dispute said the management had agreed to extend their 4 p.m. ultimatum until after today's meeting of the Industrial Council for the Baking Industry.

The council is to make another attempt today to resolve the pay dispute which has paralysed bread deliveries since Monday.

Mr Maurice Grant, vice-chairman of the Durban Master Bakers' Association, said no ultimatum was given to workers, but workers were informed while collecting their outstanding wages that they could not indefinitely continue to occupy the baking premises.

In the notices, the strikers at all the bakeries affected were warned that they might be dismissed if they did not return to work by Sunday.

A BBC television crew filmed the strikers at the bakery and the demonstration in Sydney Road

NM 26/7/87
Labour Reporter

New move in bakery pay strike

SAW 29/7/85
The International Union of Food Workers (IUF) has intervened in the Durban bread strike urging management to modify its pay offer and to settle the wage dispute in good faith.

In a statement issued in Durban today, one of the four unions involved in the strike, the Sweet Food and Allied Workers Union (SFAWU), said that the IUF was intervening on behalf of the SFAWU and another union, the Food and Beverage Workers Union. The IUF is reported to have 2,2 million members in 66 countries worldwide.

About 2 000 striking bakery workers met in Durban at the weekend and reaffirmed their decision to continue striking at the city's major bakeries in support of wage demands.

Workers are demanding an across-the-board weekly rise of R23, bringing wages to R105,50 a week, compared with management's offer of R11,40, bringing wages to R93,90 a week.

On Friday one of the bakeries involved in the strike, BB Bread applied to the Supreme Court for a court order to evict about 1 000 striking workers from the company's premises.

The SFAWU, which represents the majority of BB workers, contested the application. The hearing was postponed and continues today.

Grain basket overflows

Riches of wheat, rye

*W/Lc. Apples
20/7/58
30/7/58
30/7/58
30/7/58*

SYBRAND MOSTERT, Weekend Argus Reporter
SOUTH Africa's "grain basket" — the Western and South Western Cape — is overflowing.

"Farmers in the Swartland and Rûens have had four bumper crops in a row," says Mr Eddie Pienaar, manager, Grain and Technical Services for the Swartland Co-Op, "and we have more wheat, milk, mutton, fruit and vegetables than can be consumed on the local market."

This is in contrast to harvests in the Transvaal and Free State, where maize, grain sorghum and ground nut crops have been decimated by drought. An agricultural survey by Volkskas showed that Cape farmers had an appreciably smaller debt burden — which runs to R9-billion nationally — than their northern counterparts.

Mr Pienaar said wheat silos and cool storage facilities were overflowing, with agricultural products from the farming areas stretching from the Peninsula and Swartland up to Port Elizabeth being transported up country and to SWA.

More barley

"Roughly one third of the wheat crop will be transported to the north as we have more than needed for the local market. The oats crop is smaller, but there has been a tremendous increase in the rye and barley crops. We have about 30 percent more than we need."

Fifteen percent of the fresh milk produced is being exported to Windhoek. "Litres are being stored and creamed off, turned into yoghurt, with farmers producing more butter to give their product a longer shelf value."

The mutton market, ruled by a set of quotas issued to farmers made it difficult to establish accurate figures. "But we have more than enough meat on the market and farmers report an exceptionally good lambing season."

But the optimism is tempered by the lower prices being paid due to an overstocked market. Potatoes have dropped in price from an average of about R4 a pocket to R2 50.

Mr Barry Measer, director of the Epping Market, said the overall tonnage of potatoes, onions, lettuce and carrots has increased "tremendously."

Bomb blast damages bakery silo

DURBAN — A bomb blast damaged a flour silo at the Umlazi Bakery early today.

The blast occurred only hours before a scheduled Industrial Council meeting over the bread strike which has dragged on for more than a week in the Durban area.

The explosion will not, however, influence any negotiations aimed at ending the bread workers' strike, according to Mr Maurice Grant of the Durban Master Bakers' Association.

The manager of the Umlazi Bakery, Mr W Pretorius, said nobody had been injured and production would not be affected by the blast.

"We are not affected. We are still baking as we fortunately have a manual plant and are not fully automatic."

He said there was no proof the explosion was linked to the bread strike but added: "I would think there is a connection."

Umlazi Bakery workers have continued production throughout the strike despite threats. — Sapa. *SW*

Bakery strike likely to take a new turn today

3-wheat
~~3-wheat~~
~~3-wheat~~

NM 31/7/85

Labour Reporter

THE Durban bakery workers' strike, now in its second week, is likely to take a new turn today as the strikers meet to consider their next step in their battle for 'a living wage'.

A spokesman for the four trade unions spearheading the workers' demand for an across-the-board pay rise of R23 a week, yesterday declined to divulge any further information except to say that a statement would be issued after the meeting.

Bread deliveries in Durban, Pinetown, Tongaat and Stanger, were still disrupted yesterday but at BB Bread bakery, which has resumed limited production by non-union staff, private vans and other vehicles continued to pick up their quota of bread.

City Police cordoned off a lane in front of the bakery in Sydney Road to allow easy access into the premises.

Mr Maurice Grant, managing director of BB Bread Ltd, and vice-

chairman of the Durban Master Bakers' Association, said although the strike continued yesterday there was 'some easing' of the situation as non-union staff at BB Bread bakery were producing bread.

'Threats of violence to staff and threats of destruction of equipment had been received and brought to the attention of various management personnel.

Doubt

'It is most contradictory to be advised of these threats because through the daily Press we read that the leaders of the strike are urging us to resume negotiations,' he said.

'This makes us doubt whether they are serious about negotiation, which process they themselves ended,' he said, adding that the view of the employers was that management-union negotiations had never been closed.

The employers' final offer remained on the table and the workers were

free to accept it at any time, he said.

However, Miss Renee Roux, a spokesman for the Sweet, Food and Allied Workers' Union — one of the four unions involved — rejected as 'utter nonsense' claims by the employers that the union leaders themselves had ended the negotiation process.

She pointed out that at the midst of talks during the crucial Industrial Council meeting on Friday, the employers' party, totally out of the blue, served papers on union leaders of their intention to seek a court order to evict the strikers from the bakery premises.

'Clearly by their attitude they were not interested in seeking a solution to the wage dispute through negotiation,' she added.

Bread strike ^{3-wheat} into 2nd week

THE strike by more than 2 000 bakery workers in Durban — now in its eighth day — continued yesterday with “some easing” of the situation as non-union staff produced bread, according to sources. *Sowetan*

The Durban Master Bakers' Association said there were also indications that other bakeries in the area would be following suit “soon”.

Threats of violence to staff and threats of destruction of equipment had been received and brought to the attention of various management personnel, the association said. *31/7/85*

However, the union involved, Sweet Food and Allied Workers Union, Food Beverage Workers Union, Black Allied and Workers Union and the National Baking Industry Employers' Union, have denied the threats.

Breakdown

The unions have discouraged members of the community to stop “looking for jobs at the expense of their own black people,” a spokesman told The SOWETAN yesterday.

The strike follows a breakdown in negotiations between the unions and the employers association concerning wages.

On the whole scores of traders have been

queuing outside Durban bakeries yesterday for bread as the workers continue the strike, according to sources.

- More than 2 000 workers at all Siemens plants who went on strike two weeks ago, have returned following negotiations between the company and the union representing them — the Metal and Allied Workers Union.

- About 100 workers at Reef Plastics, who downed tools on Monday after the company threatened to retrench colleagues, have returned to work after management had indicated that it was prepared to negotiate with the Steel Engineering and Allied Workers Union.

Meanwhile there are conflicting reports about the consumer boycott in Port Elizabeth. Retailers around the city have claimed an influx of shoppers after a week of almost no support at all.

A leaflet distributed in townships and reportedly issued by the consumer boycott committee, says the boycott and the stayaway from CBD areas are over because “our people are suffering much.” Meanwhile pamphlets issued by the Border Consumer Boycott Committee says the boycott was going yesterday.

Mediator bid brings hope in bakery workers' strike

Labour Reporter

THE pay dispute between bakery workers and employers remained unresolved last night, in spite of a marathon four-hour meeting of the Industrial Council for the Baking Industry.

Mr Maurice Grant, vice-chairman of the Durban Master Bakers' Association, said trade union and employer representatives on the council agreed to appoint an advisory mediator to help settle the dispute by 1 800 bakery workers.

'The mediator will arrive from Johannesburg at 10 a m tomorrow for a further meeting between employers and trade union representatives to break the deadlock,' he said last night.

The move was 'totally within the framework of the employers' total package'.

'The fact that the trade union parties agreed to mediation within the total package gives employers cautious optimism for an early settlement to the dispute,' he said.

Miss Renee Roux,

spokesman for the four trade unions involved in the pay dispute, could not be reached for comment.

Meanwhile, about a 1 km-long queue of cars and bakkies waited outside BB Bread bakery in Sydney Road and at the Blue Ribbon Bakery at Moberi yesterday to collect their quota of bread as the strike continued into its 10th day.

Some traders said they had to wait in the queues for about two hours and were only allowed 25 per cent of their usual order as production was still

limited.

Workers from BB Bread Ltd in Durban, Wareings in Pinetown; Albany, Blue Ribbon, Premier Pies, Betta Bread in Stanger; and Tongaat Bakery are striking in support of a R23 per week pay rise. They were joined by workers from Umlazi and Kwa Mashu Bakeries.

They have rejected the employers' offer of an across-the-board pay rise of R11,40 a week. They want the minimum weekly pay increased from R82 50 to R105,50.

Bakery stops work after bomb threat

August 1985

Mercury Reporter

THE Umlazi Bakery — blasted early on Wednesday by a bomb — suspended production the same day because of anonymous threats of further violence and not because of bomb damage, it was disclosed yesterday.

Mr Kobus Laing, assistant general manager for manpower of Sasko which owns Umlazi Bakery, said

while the bakery was 'certainly' still capable of producing, it was unlikely production would be resumed until the Durban bread strike had been settled.

Umlazi Bakery had been the only bakery in the Durban area producing bread since the strike at seven bakeries began 12 days ago. It was not party to the Durban Industrial Council for the baking industry and its workers were not on strike, he said.

The morning after the explosion the company had continued baking 'manually' because automated systems had been damaged.

Suspended

But about noon 'we had an anonymous telephone threat that if we carried on there would be further action', Mr Laing said, speaking from the company's head office in Paarl.

'The caller indicated we would be adding to the Durban (bread strike) problem if we continued.

'Production was suspended. We don't want to endanger lives or jeopardise the chances of a settlement among the parties who are really involved in the conflict in Durban.'

This was in spite of his company's commitment to supplying a basic food-stuff, Mr Laing said.

He added: 'In the light of the tense situation in the Durban baking industry, the reason for this unacceptable and repulsive act of violence remains an open question.

'We trust that the various authorities will take notice of the incident and take the necessary steps to ensure a peaceful industrial environment.'

He said he did not mean he was asking for a police presence at the bakery.

Bread strike ends at five bakeries

N.M.

~~APR 23~~

~~1985~~

~~1985~~

~~1985~~

3-Wharf

3/8/85 ~~Meeting~~

The passion and the power face to face

Reporter week bread s ended at seven bak- the Durban workers at r two bak- e said they rn to work v.

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Bread

Mercury Reporter
THE two-week bread strike has ended at five of seven bakeries in the Durban area and workers at the other two bakeries have said they will return to work tomorrow.

But the management at the two outstanding bakeries, which together produce more than 70 percent of the city's bread, threatened to lock out workers unless their union signed an agreement accepting a wage offer and formally ending the dispute.

In negotiations on Thursday employers offered a R12-a-week pay increase, which was accepted yesterday by members of three of four unions involved in the strike.

Employers had offered R11,40 in answer to workers' demands of R23 when the strike began.

Agreement

Yesterday, according to a spokesman for the Durban Master Bakers' Association, only the Sweet, Food and Allied Workers' Union, which represents workers at Bread and Premier, had not accepted the offer.

The spokesman said: "The strike started with a dispute and it must end with an agreement that the dispute has been solved. Workers won't be allowed to work unless an agreement is signed."

A statement last night by the union said workers had decided at a meeting yesterday to return to work tomorrow but had vowed to continue their struggle for a living wage.

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STRIKING bakery workers were back at work in Durban yesterday for the first time in two weeks and employers were hopeful the entire dispute would end today.

They said bread shortages would be eased as a result of the development, although work at the two bakeries which produced 70 percent of the area's supplies had not resumed.

Baking resumed at five of the seven bakeries in the Durban area and although a Sunday shift of workers arrived at BB Bread in Sydney Road and Blue Ribbon Bakery in Leicester Road, they were turned away by shop stewards not happy at the men having to sign agreements accepting a R12 a week wage increase.

A Sweet, Food and Allied Workers' Union spokesman said members had reported for work at the two bakeries yesterday morning, but had been told they would not be allowed in unless they signed individual agreements accepting the R12 a week offer.

Hopeful

Durban Master Bakers' Association spokesman Mr Maurice Grant said union members had reported for work at the two bakeries but had been turned away by shop stewards, or had refused to agree to the R12 offer.

Mr Grant said he was hopeful union officials would sign the new wage agreement at a meeting of the Industrial Council they planned to organise today.

He said there should be an increased supply of standardised bread in shops today, although it

would not be back to normal.

Mr Grant said: 'The position is very clear. We are anxious to have them back but they have to agree to the final offer on the table, either individually, or collectively.'

'Although I'm still waiting for a report from one bakery, as far as I can make out workers at the five bakeries we predicted would return — SASKO in Stanger, Premier at Tongaat, Albany, Premier Pies and Wareings in Pinetown — have done so, and they are back into production.'

'The tragedy is that the lemon has been squeezed absolutely dry. It is the workers who are losing. It seems to be a question of the union trying to save face.'

Union spokesman Mr Jay Pillay yesterday attacked the lockout and said members demanded that employers deal directly with union representatives.

Union members had decided on Friday to return to work yesterday when it became apparent that non-union workers and workers from other unions wished to return to work.

'But today none of the 1200 we represent started working when the employers insisted that they sign individual undertakings accepting the R12 offer,' he said.

Meanwhile, management at the Bakers flour mill are to meet workers off site today.

Mercury Reporter
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Bread today but more tomorrow?

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5/8/85 Mercury

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Bread prices may increase next month

3-Wheat Pretoria Bureau

The price of bread could increase again in October if the Government accepts a request from the Wheat Board for a "moderate" producer price increase.

Sources in the industry say the board has asked for a 10 percent increase in the producer price of wheat for the 1985/6 season.

It will be the second bread price rise this year: the price was increased by 5c on June 1 to 45c for brown and 65c for white bread because of a shortfall in the Government's bread subsidy.

The general manager of the Wheat Board, Mr Dennis van Aarde, confirmed today that a request for a higher price had been made through the National Marketing Council.

'REASONABLE TO EXPECT HIGHER PRICE'

"Two years ago producers were granted no increase and last season received only 8,7 percent. I think it is reasonable to expect that there would be a recommendation for a higher price because of the high rate of inflation.

"But the board has taken the economic situation into account and the fact that there is a surplus of wheat on overseas markets. We are wary of pricing ourselves out of the market," Mr van Aarde added.

● A Government-appointed commission of inquiry is expected to complete its investigation into the bread subsidy system at the end of September. The study group was asked to establish whether low-income groups benefitted from the State subsidy. In line with Government policy the R200 million-a-year subsidy is likely to be phased out.

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STAR

31/8/85

28/8/85

Harvest put at 1,95-million tons

SA may have to ship in R100m worth of wheat

(3) Wheat B. Day 20/8/85

SOUTH AFRICA may have to import 300 000 tons of wheat next year at a cost of about R100m.

Wheat Board manager Dennis van Aarde said in Pretoria yesterday that yields from the current crop would be lower than last season's yields.

Last season's harvest totalled 2,2-million tons against a local demand — growing at about 5% a year — of 2,3-million tons.

This included about 130 000 tons which would probably be needed by neighbouring states.

He estimated the current harvest to be at about 1,95-million tons.

"If we have to import, we will do it at the last possible minute

Own Correspondent

— in March or April."

This, he said, would result in a substantial saving on storage costs.

Van Aarde estimates that under current conditions wheat could be landed at South African ports for R330 a ton compared with the local price of R299 a ton.

However, there could be an increase in the producer wheat price from October 1 which would close the gap between the costs of imported and local wheat.

Because of heavy oversupply, Van Aarde said prices on world markets had sagged to about \$135 a ton f o b.

Argentine wheat, because of that country's horrific inflation problem, was selling at about \$110 a ton f o b.

He expected the low price trend on world markets to continue into next year.

Asked about the extent of the expected increase in the bread price from October 1, Van Aarde said there was unlikely to be an announcement until, at the earliest, the special committee appointed to investigate the bread subsidy scheme had reported back in mid-September.

It was likely that the new wheat price would also be known only towards the end of September.

Price of bread to rise?

3-Wheat

~~Post~~

Post Correspondent

JOHANNESBURG — Bread prices may go up from October 1, according to reports here.

A Cabinet decision is due to be taken within the next few weeks on whether prices are to be increased from October 1 when the new season's wheat price takes effect. *E Post*

Reports say that the probable increase in the consumer price of bread is causing anxiety in Government circles because of the political repercussions during the present unrest and other social consequences during a time of recession and unemployment. *23:08:85*

Earlier this year the Minister of Finance, Mr. Barend du Plessis, warned that there would be no subsidy increase.

The result was an increase of 5c a loaf from June 1 with another increase due on October 1 in order to "stretch" the R200-million subsidy through the 1985-86 financial year.

Without Cabinet approval for a larger bread subsidy, prices will have to rise and the unrest has made this a possible political issue.

Earlier, the Minister of Agricultural Economics, Mr. Greyling Wentzel, said the Government was fully aware of the economic situation of the ordinary man and of unemployment and did not want the bread price to increase drastically.

He added: "We are hoping to keep to a moderate increase in October."

Bread price to rise when wheat goes up 10%

29/8/85

3 wheat B. Day

WHEAT producers expect a price increase of about 10% from the beginning of October. Housewives can brace themselves for a hefty increase in the bread price from the same date.

Last year the wheat price was raised by 8,7%, well below the inflation rate. There was no increase in 1983.

Since 1983 farmers' costs are estimated to have rocketed by more than 25%

Wheat Board GM Dennis van Aarde says there are sound reasons for the price increase but Agriculture Minister Greyling Wentzel has said nothing about the expected price hike.

Meanwhile the commission appointed by Wentzel

GERALD REILLY

to advise him on whether the bread subsidy policy should be continued is still at work. It has been instructed to report before mid-September.

The current financial year's subsidy of about R200m runs out at the end of next month. If it is decided the subsidy should be dropped — a distinct possibility according to government sources here — the bread price rise from October 1 will be a big one.

It is reliably understood that the Wheat Board is unlikely to agree to any of its R70m strong stabilisation fund being used to minimise the bread price rise. Van Aarde points out that two years ago the board

paid R40m from the fund to strengthen the government bread subsidy account.

Against this background the bread price rise could be as much as 20c a loaf. However, Van Aarde said, if such a big an increase were unavoidable it would probably be introduced in stages.

Other sources says this could mean an increase from October 1 and staggered increases in January and April.

Meanwhile, prospects for the current crop indicate that more than 300 000 tons will have to be imported at more than R100m but, because of oversupplied world markets, the landed price of imported wheat may not differ greatly from the local price, especially after the expected local price increase.

If subsidy goes, brown bread price hike of 17c?

Dispatch Correspondent

PORT ELIZABETH — The national president of the Housewives League, Mrs Joy Hurwitz, has warned consumers of a possible 17c increase in the price of brown bread if a rumoured removal of the government subsidy is effected.

She said that while the subsidy on white bread had been dropped, subsidy on brown and whole wheat bread had increased yearly to around R200 million. It was now rumoured that the subsidy would be removed next month — pushing the price of a loaf of bread up by at least 17 cents.

The league, she said, was totally in favour of

retaining the subsidy until the economy lifted and she had written a paper to the Department of Agriculture in this regard.

"It would be deplorable to remove it (the subsidy), and I believe with enough persuasion not only from the Housewives League but from other bodies the subsidy will be retained."

She said she was delighted that the government was considering making surplus meat available to South Africans instead of exporting it. She would be more pleased if it was sold direct to the public at no profit.

"Consumers need something, a goodwill, to give them a boost in these difficult times. Some are simply fed up with red meat and have changed their eating habits. But I am sure if frozen meat is sold to them at half price they will buy it."

Mrs Hurwitz also said she believed the double-digit inflation was the biggest threat facing consumers.

"Inflation is public enemy number one, more than what is happening overseas. We must starve it not feed it. We must counter it from all angles. Many families are living on the bread-line and others are making sacrifices to keep up. If inflation is not down, there is no hope of recovery," she said.

B. Day 10/6/8
Bread set to rise soon

3 wheat
A PRODUCER wheat price increase is expected next week, followed soon after by a bread price hike from October 1.

Informed sources in Pretoria say that because the wheat price has been increased only once — by 8,7% in 1984 — since 1982 the Cabinet will not reject producers' demand for an increase.

However, it is expected to be well inside the 15,9% inflation rate.

The wheat price is one of three factors which Cabinet will take into account when fixing the bread price.

The others are the extent to which millers and bakers are to get raised margins, and whether the bread subsidy is to be continued or reduced.

Bread price expected to rise again in October

Mercury Reporter

CONSUMERS can expect to pay between 3 c and 10 c more for a loaf of bread from October 1 as a result of anticipated increases in the price of wheat and the millers' and bakers' profit margins.

Speculation of a massive 15 to 20 cents increase, the second within four months, was scotched yesterday by informed sources within the trade although no official announcement has yet been made.

But there is no doubt that a major increase is on the cards with a deficit of R78 million in the R200 million Government subsidy and several warnings by Minister of Finance Barend du Plessis that no funds will be available to bolster the inadequate subsidy.

Yesterday the general manager of the wheat board, Mr Dennis van Aarde, said he 'personally expected' an increase.

He said the board had asked the Government to stagger the increase over a few months because it was worried about possible consumer resistance if the increase was not introduced slowly.

'It would be tragic if the increases are introduced to consumers in one lump sum,' he said.

Meanwhile, sources have said that an increase of only 3 c in brown bread would be a direct result of Government's sensitivity to the current township violence and the fact that the bread price is regarded as being a 'political tool'.

On June 1 this year the price of both white and brown bread went up by five cents, pushing white bread to 65 c a loaf and brown to 45 c.

Store gets go-ahead to bake a super-loaf

Mercury Reporter

THE Government's go-ahead to Pick 'n Pay Middleburg to bake a 'super bread' in pans is seen as the first phase in de-regulating the conditions imposed on the baking of the standardised loaf.

The super bread, being sold at the supermarket on a one-year trial basis, is baked in a pan and can be sliced but must be wrapped, and must contain a minimum amount of protein.

At about 85 c a loaf it is an expensive bread.

Mr Dennis van Aarde, general manager of the Wheat Board said the board would treat future applications to bake the super bread with leniency.

By being baked in a pan — previously forbidden in terms of Government regulations — the bread is regarded as a 'classy Government bread'.

But the ingredients used in the bread are still controlled and prevent supermarkets from using their own formulas which they claim could undercut the current price of Government bread by as much as 10 c.

League calls for higher bread subsidy

10/9/85

3-Wheat

MONDAY

Mercury Reporter
THE Housewives' League has attacked the planned bread price increase as 'exceedingly shortsighted in a time of recession and unrest' and it has called for the Government bread subsidy to be retained or even increased.
The national president of the league, Mrs Joy Hurwitz, said it was not only the man in the street who should be cutting back 'in this time of se-

vere austerity and ever-rising cost of living'.
'Business, commerce, industry and agriculture should contain their costs and not pass them on to us. We simply cannot afford any price increases.
'As an interim measure the bread subsidy must be retained or even increased,' she said.
'The money simply must be found.'

She said wheat farmers and millers should consider the plight of the consumer.

'Why should selective administered price increases be allowed when many consumers are literally living below the bread line?

'To increase the cost of a basic food such as bread and place it beyond the reach of consumers who are at the lower end of the wage scale is exceedingly short-sighted in a time of recession and unrest.'

BREAD PRICE SET TO INCREASE NEXT MONTH

2-11-60
Sowetan

CONSUMERS should brace themselves for a new bread price hike, likely to come into effect on October 2.

SOWETAN
Reporter

sumers will pay 50 cents for brown bread and 70 cents for white bread.

A 12 percent wheat price rise to be announced by the Minister of Agricultural Economics necessitated the new bread price, according to sources.

Ellen Khuzwayo said: "We tried to argue against the increase but, naturally, could not get anywhere as we are helpless. The bread price increase worries us, considering the high rate of unemployment and the low wages generally paid to blacks."

Spokesmen of the SA Consumer Council and Black Consumer Union (BCU) — the bodies which served on a commission of inquiry looking into the subsidisation of bread — told The SOWETAN yesterday that they had asked the Government to increase the bread subsidy.

The BCU said it had asked — through the commission — the Government to increase the subsidy for brown bread, which is preferred by most of South Africa's black population.

However, the BCU added, the Government appeared set to phase out the bread subsidy over the next five years.

BCU President Mrs

GOVT IS ^{3-Wheat} urged to keep bread price down

STAR ~~by~~ Maud Motanyane 28/10/85

Amid wide speculation of a 5c bread price rise next week, consumer bodies and retailers have urged the Government to retain the bread subsidy or even increase it.

Increased bread and wheat prices are expected to be announced by the Minister of Agriculture, Mr Greyling Wentzel, on October 2.

Consumer bodies have expressed fears that if the increase in the price of bread came through and the R200 million subsidy reduced, malnutrition and hunger would increase.

"Consumers are literally living below the bread line," said Mrs Joy Hurwitz, president of the Housewives League.

"To place bread beyond the reach of consumers at the lower end of the wage scale is exceedingly shortsighted in a time of recession and unrest," she said.

Mr Clive Weil, Checkers' managing director, said the Government was handing out huge amounts to counter the food shortage. It was foolhardy to withdraw the bread subsidy and increase malnutrition.

He reiterated a call by Checkers to the Government in July to increase the bread subsidy.

EXAMPLES

In a report handed to the bread commission Checkers said there had been many examples where consumers had swiftly change consumption patterns in reaction to price changes.

The report said that in 1974, when the subsidy was split between white and brown bread and the price difference was only three cents, more loaves of white bread were consumed than brown ones.

White bread had 65 percent of the market while brown had only 35 percent.

But as the price gap widened brown bread consumption shot up while that of white bread plummeted.

In 1978 the subsidy had kept the price of brown bread at 16 cents while white bread rose from 20 cents to 25 cents.

In 1982/83 when a R200 million subsidy was set for brown bread brown bread took 75 percent of the market and white bread only 25 percent.

Today brown bread at 43 cents holds 78 percent of the market and white bread, at 63 cents, only 22 percent.

Increase in bread price expected

E. Kest



3-wheat

01/10/85

PRETORIA - A new wheat and bread price is expected to be announced this week.

The report of the Davin Commission of Inquiry into the bread subsidy system, which was handed to the Minister of Agricultural Economy and Water Affairs, Mr Greyling Wentzel, earlier this month, and the expected new wheat price will play a major role in determining the new bread price.

The Wheat Board has presented its recommendations concerning a new wheat price to the Government for approval and Mr Wentzel has already indicated the new price will be retroactive from October 1. Indications are that both the wheat and the bread price will be increased - Sapa

Decision on bread price *Wheat*

PORT ELIZABETH expected later today in
The price of bread and Pretoria from the Minis-
maize is likely to go up ter of Agricultural Eco-
today. **DISPATCH** nomics and Water
An announcement ab- affairs. Mr Greyling
out price increases is ex- Wentzel, after a cabinet
meeting. — DDC.

Price of
bread ^{3-Wheat}
likely to
rise today

3/10/83

Pretoria Bureau
STAR 1140/0
Increases in the prices of wheat and bread are expected to be announced today by the Minister of Agricultural Economics and Water Affairs, Mr Greyling Wentzel.

Bread will probably go up by about 5c — bringing the price of a brown loaf to 50c and that of white bread to 70c.

It will be the second bread price rise this year. The cost was increased by 5c in June because of a shortfall in the Government's bread subsidy.

It also seems likely that the Cabinet will grant the Wheat Board something close to the 10 percent producer increase requested for the 1984/5 season.

Board chairman Mr Dennis van Aarde said producers had had no increase two years ago and last season an increase of only 8,7 percent.

He said: "The economic situation has been taken into account and we are wary of pricing ourselves out of the market."

Bread

DISPATCH 04/10/85
to go

~~3-Wheat~~ 3-Wheat

up 5c

Dispatch Bureau

JOHANNESBURG — The price of bread will be increased by 5c a loaf from Monday.

Brown bread goes up to 50c a loaf and white to 70c.

In addition, the government is considering a recommendation by the Davin Commission that the bread subsidy system "gradually be abolished."

Speaking at a press conference in Pretoria yesterday, the Minister of Agricultural Economics, Mr Greyling Wentzel, said it would have been "too much of a shock" to have dropped the subsidy immediately, particularly at a time when unemployment was rife and hunger a major factor in South Africa.

He added, however, that the bread subsidy was the highest in the world. Brown bread, he said, was subsidised by 12c a loaf 20,5 per cent.

The R200 million the government had set

aside to subsidise bread, he said, would be exhausted by the end of the month and an additional R45 million would have to be found to limit the increase in the price of bread during the rest of the financial year — up to March, 1986.

The minister has also approved an 8,7 per cent increase in the price of wheat. This is to be raised by R26 a ton to R325 for the best grade of wheat. (The landed cost of imported wheat is R390 a ton).

Mr Wentzel said urgent attention was being given to a total food strategy and alternative methods of contending effectively with physical hunger.

He added: "One of the recommendations we are looking at is the possibility of subsidising the raw product rather than bread."

The Trades Union

Council of South Africa, which represents more than 300 000 workers of all races, said yesterday it was "horrified by, and totally opposed to", the increase, which was "another example of the government's complete inability to understand the plight of workers".

The national president of the Housewives' League of South Africa, Mrs Joy Hurwitz said: "This increase will have a negative effect on bread sales as the man in the street simply cannot afford it."

Three major supermarket chains have indicated they will continue selling bread at the old prices for as long as possible.

Mr John Barry, general manager of Pick 'n Pay, said: "We deplore this increase which should not have been allowed at this critical time."

Govt uncaring about workers' plight

Tucsa stores angry at bread price increases

3-Wheat
4/10/85

By Jackie Unwin ST MR

The 300 000-strong Trades Union Council of South Africa (Tucsa) and supermarket chains have expressed anger at yesterday's bread price increase.

And major supermarkets pledged to keep the price of bread at present levels as long as possible.

Tucsa said it was "horrified by and totally opposed to" the increase in bread prices.

It said the increase was "yet another example of the Government's complete inability to understand the plight of ordinary workers".

Checkers' managing director Mr Clive Weil said: "We don't believe there should be any bread price increase, particularly in the light of the Government's decision to spend R500 million creating jobs.

"There is no sense in planning to spend that amount of money and not subsidise the bread price.

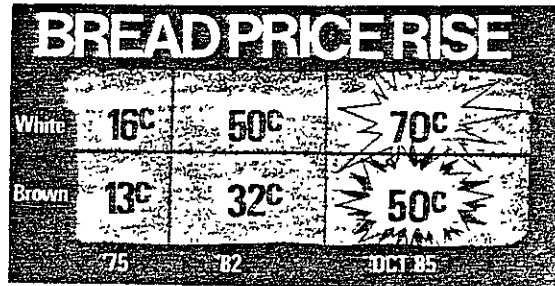
"You don't promote subsidies for the sake of subsidies, but there is a real crisis here, with thousands of people literally starving," Mr Weil said.

"Why didn't the Government put up the price of white bread and keep brown at the old level?"

He said Checkers would hold its prices at 63 c for white bread and 43 c for brown "as long as possible".

OK Bazaars' director and general manager Mr Ralph Horwitz said his supermarkets would also hold bread prices "until further notice".

He said in present economic circumstances,



The price of brown bread has shot up by 264 percent over the last 10 years and white bread by 337 percent.

In 1975 brown bread sold for 13 c and white bread for 16 c. Yesterday it was announced the price of brown bread would be 50 c a loaf as from Monday and 70 c for white. Both have gone up by 5 c.

The last price increases in bread were in June when the Minister of Agricultural Economics and Water Affairs, Mr Greyling Wentzel, said the R200 million subsidy for bread this year was running out.

with unemployment at a high level and disposable income being constantly eroded, it was "horrendous" that the price of bread was increased at all.

"Five cents' increase was the figure bandied around and expected. We would have been horrified if the increase had gone above that, but we would much have preferred to see no increases at all," Mr Horwitz said.

He said absorbing the bread increase would cost his company "something like R100 000 to R120 000 a month".

Pick 'n Pay co-managing director Mr Ray-

mond Ackerman, who served on the bread commission, said "We tried our best to keep the bread increase to nil or a maximum of 5 c. There was talk of it going up much higher because of the wheat price and the millers' and bakers' margins.

"At least the millers, bakers and the board have put in some money from their reserve funds to help keep the increases at 5 c and the subsidy has been increased."

Mr Ackerman said his supermarkets would hold the bread price down for "possibly three months".

Consumer groups slam latest increase

Higher bread price 'will hit the poor most'

STAR 5/10/85
3-wheat

by
**Jackie Unwin and
Maud Motanyane**

Consumer organisations have condemned the 5c bread price rise, claiming it will hit the poor and worsen the hunger problem.

"It is clear in our minds that the Government is insensitive to the needs of the poor," said a spokesman for the Black Consumer Union, Mr Eldridge Mathebula.

"With the high inflation rate, unemployment and soaring costs on basic items the Government had the gall to raise the price of bread, which is a staple food for the underprivileged.

"Surely it could have found money somewhere to raise the subsidy on brown bread?

"Black consumers depend on bread for its nutrition and convenience. With the new bread price it would cost at least R30

a month for a family to buy their daily loaf and pint of milk — and that is a big chunk."

The BCU has advised consumers to bake their own bread.

The Housewives' League described the increase as "cent wise and rand foolish" in this time of severe austerity coupled with rising inflation and high unemployment.

The league maintained this view but at the same time understood that wheat farmers, millers and bakers had to maintain profit margins.

FEW BENEFIT

"The continual, selective, annual administered price increases fuel consumers' cost of living and benefit only the few," said Mrs Joy Hurwitz, president of the league.

"This increase will have a negative effect on bread sales as the man in the street simply cannot afford it. This is clearly illustrated by the switch from white to brown

bread because of price."

She said the R45 million provided by the Government, millers and bakers and the Wheat Board would offset the likelihood of another bread increase before the Budget in March 1986.

But the league believed additional money should have been provided by the Government to prevent the increase. Consumers would have to tighten their belts further in order to foot the bill once again.

"Surely the money could have been channelled from tax revenues, which have increased substantially?" she asked.

"Consideration must be given to the poor and needy suffering under the burden placed upon them by the high costs of essentials.

"We consider that any future increases in the price of bread must be done in consultation with all consumer bodies before implementation."

The Consumer Council

described the bread price increase as "a severe blow to consumers".

But it said it was aware that the increase was "unavoidable".

"The council is also aware that the amount budgeted by the Government to make a bread subsidy possible has been depleted," said Mr Jan Cronje, council director.

"The country's baking and milling industry and especially the Wheat Board should be lauded for their financial support in assisting the State to uphold the subsidy until at least March next year.

IMPORTS LIKELY

"Consumers must note that if good rains are not experienced this year wheat will probably have to be imported," Mr Cronje said.

He added that in the past some supermarkets sold bread to consumers at a lower price. This should serve as an example to all dealers.

Bread price and the poor

IT is cold comfort to poor people faced with the second bread price increase in five months to be told they have the cheapest bread in the world. The fact is they will be paying more, and as a result many of them will eat less.

The real reason for the increase is the Government's failure to contain inflation. With farmers' costs rising all the time, bread price increases are inevitable, despite substantial subsidies.

W. West 03/10/65
The Minister of Agricultural Economics, Mr Wentzel, has a point when he says subsidies are not really the answer, because they cannot be applied selectively. He mentions the possibility of greater welfare benefits as an alternative. We hope concrete steps are already being taken in this regard, especially as subsidies seem certain to be phased out altogether in terms of the Davin Commission's recommendations.

FM 11/10/85
 (3) wheat
 (circled numbers: 100, 100, 100)

combined 89,1% stake in the baking market, would be substantially affected if government accepts the Davin recommendations.

These recommendations include:

- The abolition of price control on wheat flour and standard government bread from October 1 1986;
- The abolition of restrictive registration in the milling and baking industries from the same date, opening the door to free entry;
- Switching the bread subsidy from the end product to the WB in order to keep the price of wheat, flour and bread as low as possible; and
- Continued WB control over the quality of wheat sold and over the quality of certain standards of bread.

Van Aarde expects the new bread subsidy to be substantially below the current R200m a year. And he doubts if the WB could exercise effective quality control over a number of new bakers after deregulation.

Agriculture Minister Greyling Wentzel

has already asked the WB and other parties for their comments on the Davin recommendations. Van Aarde says the WB will meet on November 20 and its comments should reach Wentzel by the end of November.

Pick 'n Pay CE Raymond Ackerman, a commission member, is adamant that the virtually free market that would follow implementation of the recommendations would benefit consumers.

"Although some smaller retailers could up their prices after deregulation, other forces — in the form of major retail groups — will ensure that

prices are kept low. Competition in the free market will ensure that consumers get the best deal," he says.

BREAD PRICE

Cheaper options?

SA's wheat, milling and baking industries are taking stock of the Davin Commission's controversial recommendations to deregulate the industries and create a virtual free market.

At stake is the profitability of the R650m a year wheat producing industry, the near R1 billion a year wheat milling industry and retail bread sales worth more than R1 billion a year. But will deregulation lead to higher, or lower, bread prices? Opinions differ.

Cheaper bread prices could result from a punch-up between competing millers at one level and free competition between independent bakers on the other. Together they control a market of some 1,8 billion loaves a year. But some sources say there could be sharp price rises after deregulation as smaller retailers increase their profit margins from the present 2c a loaf. The new margin, they say, will be around 8c a loaf.

"I can foresee bread prices increasing by about 50% above the latest levels as soon as price control is abolished," says Wheat Board (WB) GM Dennis van Aarde.

Six major milling groups, controlling 98,8% of SA's milling industry and with a



P 'n P's Ackerman ... seeks lower prices

PUBLISHING

Perils for print

There seems to be no relief in sight for SA's embattled newspaper industry. The latest adspend figures show that the press contin-

Cape Times
12/10/88 3 wheat

Wind wrecks wheat crop

WHEAT crops along the West Coast and in the Southern Cape have been damaged by gale-force winds which ripped through the fields this week and left the ripe kernels scattered on the ground.

The wind also tore through orchards and vineyards in the Little Karoo and farmers have lost a large part of a once promising grape and deciduous fruit harvest.

A spokesman for the Western Province Co-op at Vredenburg yesterday said it was a long time since a wind as strong had blown through the area at this time of the year.

The area was blanketed by a grey cloud of dust on Thursday.

Ripe wheat fields at Gouda were also damaged. No reports of damage have been received from the Swartland.

A spokesman for the co-op in the Overberg said most of the farmers believed their wheat had been damaged but said it was still too early to estimate the extent of the damage.

At Riversdale grain was flattened by the wind and blown away.

Ladismith and Calitzdorp fruit farmers reported that they had lost up to half of their harvest and that many vines and fruit trees were stripped of their fruit and leaves.

Scrap price control and State subsidy — report

Price of bread could rise 40 pc

6/4/11/85 Star
3 wheat

By Colleen Ryan,
Pretoria Bureau

In a move which could lead to a series of large increases in the price of bread, a Government-appointed commission of inquiry has called for the scrapping of price control on bread and the gradual phasing out of the State subsidy.

The commission's report calls for the abolition of price control on flour and standard bread in October 1986 and the phasing out of the bread subsidy within the next three to five years.

Sources in the wheat industry have warned that, in addition to normal inflationary price increases, the price of bread could

increase between 20 and 40 per cent if the subsidy and price control were dropped.

The commission, chaired by Mr F J Davin, was appointed to investigate whether the present subsidy system benefited under-privileged consumers.

It found that bread prices paid among black consumers had increased steadily in the past two years. But it argued that the present subsidy — of 11.6c on a loaf of brown bread — did not benefit only the poor. It also benefited middle and upper-income groups.

The report conceded that the phasing out of the subsidy would lead to a gradual increase in the price of bread but argued that

free competition between millers, bakers and distributors should ensure that the price does not sky-rocket and that consumers can still obtain standard bread at realistic prices.

To encourage competition and new entries to the industry, the report called for the scrapping of restrictive registration in the milling and baking industries to be scrapped in October next year and be replaced with a system of formal registration.

The report recommended that the State should concentrate on direct assistance to the hungry and malnourished. It said that aid should be given to Government relief schemes, surplus food be sold at reduced prices to organisations such as Operation Hunger and at schools where children were in need.

It also recommended that during the phasing-out period, the subsidy be transferred to the Wheat Board to reduce storage and handling costs.

The commission's recommendations were in line with the Government's policy of reducing State interference in agriculture and encouraging free enterprise, said the report.



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Price of
Bread
bread set
18/11/87
to rise

GERALD REILLY

ANOTHER bread price increase is on the cards for early next year.

In Pretoria at the weekend, Wheat Board GM Dennis van Aarde said the increase in the fuel price by 5.9c/l earlier this month and the expected further increase of 6c/l in January would load costs particularly bakers' costs, in the industry to a point where an adjustment in margins would be justified.

And, according to industry sources, if government refused to provide an additional subsidy — it would be the second such provision this year — the bread price would have to be raised again.

The bread price was raised by 5c a loaf from October 7.

Had it not been for an additional subsidy of R45m the increase would have been substantially greater.

The additional subsidy, which brought the total for the financial year to R245m, was said by Minister of Agriculture Greyling Wentzel at the time to be sufficient to hold the bread price at the new level until the end of March, when the price issue would have to be looked at again.

Contribution:

The additional R45m was made up of contributions of R5m each from the baking and milling industries, R15m from the Wheat Board's reserve fund, and R20m from the Treasury.

Pretoria sources said the bread price in the new financial year would depend on how much the government was prepared to allocate to the subsidy in the 1986/87 budget.

Costs in the industry were bound to increase during the year and bakers, millers and producers were bound to seek compensation, they said.

Based on this year's total subsidy of R245m, the amount needed if government wanted to keep the price at the expected January adjusted level, was more than R300m.

However, this would also depend on whether government was going to heed the recommendation of the Davin Commission and start to phase out the subsidy next year.

DISPATCH (3-WHEAT)
18/12/85

Feed wheat to be milled?

PRETORIA — An expected shortage in wheat for domestic use means that the Wheat Board will have to accept feed grade wheat for milling purposes, the SA Agricultural Union announced yesterday.

The expected shortage is a result of the "devastating drought in the Free State and the excessive and untimely rains in the Cape Province," the chairman of the union's national committee for wheat and other cereals, Mr Gert Schoonbee, said here.

Mr Schoonbee, who said sprouted wheat would not be among the feed grade wheat accepted by the Wheat

Board, complimented the board and the baking and milling industries on "the consensus they reached with producers for using feed grain for milling purposes without affecting the quality of bread".

He urged producers to supply their feed grade wheat to the board and said the measure could mean a "substantial" price adjustment above the fixed price of R200 per ton for producers.

"It will, however, not be to the advantage of producers only. It will save the country a considerable amount in foreign exchange," he added. — Sapa

AGRICULTURE — OTHERS

WHEAT — 1986

JAN. — DEC,

Cap Times 8/1/66
3 Wheat (126) (200)
20pc increase in bread price likely

Own Correspondent

JOHANNESBURG. — The cost of bread may rise by at least 20 per cent this year following the increase in the price of fuel and the shortfall in the wheat crop.

The general manager of the Wheat Board, Mr Dennis van Aarde, yesterday said the government's R200-million subsidy could not make up for the increase in the cost of transport.

Sources in the wheat industry say an overall increase of 20 percent is

a conservative estimate.

Mr Van Aarde said it was unlikely the government would be able to increase the subsidy so the increase would be passed on to the consumer.

"Further increases in the cost of bread are also likely if the government accepts the finding of the Davin Commission of Inquiry which recommends that the bread subsidy be phased out."

There were two bread price increases last year, each of 5c a loaf.

Mercury
8/1/86 3-Wheat

Bread price could rise by 20 percent

Mercury Correspondent

JOHANNESBURG—The cost of bread is expected to rise by at least 20 percent this year as a result of the increase in the price of fuel and the shortfall in the wheat crop.

Wheat Board general manager Mr Dennis van Aarde said yesterday that the Government's R200 million subsidy could not make up for the higher cost of transport.

'It is unlikely the Gov-

ernment will be able to increase the subsidy and the increase will have to be passed on to the consumer,' Mr van Aarde said.

Further increases in the cost of bread are also likely if the Government accepts the finding of the Davin Commission of Inquiry which recommends the bread subsidy be phased out in the next few years.

Last year the price of bread increased twice by 10 c over the year.

Bread price

rise 'pure

speculation'

Political Correspondent
CAPE TOWN — Hints of a bread price rise were "pure speculation", a senior spokesman for the Minister of Agricultural Economics and Water Affairs, Mr Greyling Wentzel, said today.

The Davin Commission report on the bread subsidy had still to be considered by the Cabinet, he said.

In the event of an end to the subsidy, a formula would probably be worked out to protect the poorer sections of the community.

It was reported in Business Day yesterday that the Cabinet was expected to approve an increase before the main Budget in March. It speculated that the rise could be 5c a loaf.

The spokesman said today Mr Wentzel might issue a statement later today or tomorrow to "clarify the speculation".

F Post 21/1/83 3-1/2

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Davin report could change wheat sector

GERALD REILLY

GOVERNMENT'S acceptance of Davin Commission recommendations would drastically transform the wheat industry in a year or two, says a Wheat Board document tabled at the Agrocon conference in Pretoria yesterday.

The Davin commission recommended:

- Price controls on wheat meal and standard bread should be lifted from October 1;
- Restrictive registration in the milling and baking industries should lapse from the same date;
- Subsidies on bread should also lapse from October 1.

In its comments on the recommendations, submitted to government, the Wheat Board said that if the total subsidy on bread was abolished from October 1, the price of brown bread at the present level and subsidy would rise immediately by 24%.

It could be accepted that bakers and millers would adjust prices, as they had

been making representations for an increase in cost margins, the board said. Retailers had long been opposed to the fixed retail margin of 2c/loaf (2,9% on white bread and 4,2% on brown), and a considerable increase could be expected, it said.

When restrictive registration was abolished, a large number of new bread bakers would enter the industry, the board said. At present there are about 350 fully-fledged bakeries manufacturing bread and confectionery.

It was also likely that most of the 1 500 registered confectioneries would enter the bread-baking industry if restrictive registration were abolished, the board reported.

Quality control would be further hampered. A considerable increase in the price of bread would have a detrimental effect not only on wheat consumption, but also on spending by a large section of the population in whose daily diet bread was an indispensable item, it added.



● WENTZEL

Wentzel calls for vigilance

BUSINESS advisers should "intensify their vigil" for factors affecting the economy so that early action could be taken to counter damaging influences.

Opening the 1986 Agricultural Preview Conference in the CSIR conference centre in Pretoria yesterday, Agricultural Economics and Water Affairs Minister Greyling Wentzel urged business experts and consultants to refine their interpretation of such developments and come forward with "carefully considered previews".

"On this basis it should be possible to act timeously in avoiding or mitigating unfavourable trends," he said, adding that adverse factors in the past few years had posed a serious threat to the survival of a viable agricultural sector.

Wentzel said government's White Paper on agricultural policy, which focuses on effective and profitable farming, should serve as a guideline for the future of SA's agricultural industry.

"Since agricultural production is aimed primarily at the provision of food for the population, and our country has only limited agricultural resources from which a rapidly-growing population will have to be fed, the pursuit of the goal of self-sufficiency cannot be over-emphasised.

"The volume of food production up until the present has grown faster than the population. There are indications, however, that the rates at which population and food production are growing are moving closer together," the minister said.

Because agriculture in SA was bound closely with weather conditions, the country's food production was vulnerable, he said.

"A striking example was the drought of the past two years when, for two consecutive seasons, we were unable to produce enough maize for our own needs.

"The emphasis on self-sufficiency does not mean, however, that it must be pursued... at any price.

"If this should happen, it could result in irrational business operations which would not be economically justifiable and would probably not be reconcilable with the maxims of reasonable prices or optimal utilisation of agricultural resources," Wentzel said. — Sapa.

Inflation 'the enemy'

GERALD REILLY

THE economy was in the early stages of a new cyclical upswing, Reserve Bank Governor Gerhard de Kock said in an optimistic address to the Agricultural Outlook Conference (Agrocon) in Pretoria yesterday. De Kock appealed to farmers to support the monetary authorities when they applied market-orientated policies to bring about an optimal rate of increase of the money supply and total spending.

He told farmers their true enemy was not temporary high interest rates — "your true enemies are the twin evils of inflation and economic instability".

To combat these, the monetary authorities had to curb and stabilise the growth of the money supply.

De Kock warned if the new upswing developed momentum faster than expected and, if at the same time the money supply showed signs of rising excessively, once again, the Reserve Bank would have to take action and interest rates could rise again.

If the inflation rate could be reduced to any material extent, interest rates would probably fluctuate at significantly lower levels than in recent years.

Backlash to debt standstill

GERALD REILLY

THE abnormal steps of imposing a debt standstill and reinstating exchange control on non-residents from September were necessary but, until January, counterproductive, said Reserve Bank Governor Gerhard de Kock.

These steps focused so much attention on South Africa's liquidity problems that they contributed to a large outflow — or non-inflow — of various types of capital and credit.

"Loans which might otherwise have been rolled over, possibly at a higher interest rate, had to be repaid."

Foreign credits for many imports suddenly dried up, and importers had to pay cash "upfront".

"The expectation that the rand would depreciate produced unfavourable lead and lags in foreign exchange payments and receipts.

Capital left the country, in other ways which were perfectly legal.

De Kock said South Africa was able to accommodate the outflow of funds because the restrictive monetary and fiscal policy of the year before had helped to bring about an exceptionally large current-account surplus.

"However, in spite of the debt standstill and the strictest exchange control in the country's history, capital and credit for a while drained out of the country on such a scale that it neutralised the current surplus, and placed the rand under downward pressure on the foreign exchange market.

Farm exports bolstered by weak rand

GERALD REILLY

CONTROL board reports submitted to the conference reflect big increases in export earnings last year, mainly attributed to the weak rand.

The Deciduous Fruit Board had a smaller crop in 1985, but gross value increased by 27% to R355m.

Exports increased by 38% to R243m even though tonnage was down 3% to 306 000 tons.

Wool Board production fell 3,4%, against a price rise of 43,5%.

Total market realisation for 1984/85 was R402,8m.

The Sugar Association reported record cane production in the 1984/85 season.

Average yields were high, reaching nearly 80 tons/ha.

Total industrial revenue in excess of R1bn for the first time, however, was unable to restore financial stability. After covering costs and returns, it provided a mere R2m towards return on capital — less than 5% of growers' and millers' entitlement.

The Canned Fruit Board said that over the past two years there had been an improvement in the industry's financial situation.

The Dried Fruit Board reported a huge increase in production, from 13 000 tons in 1976 to more than 47 000 tons projected for this year.

Bread price control to go?

PRETORIA — Price controls on flour and standard bread should be lifted from October 1. This is one of several recommendations contained in the report of the Davin Commission and made known in a Wheat Board document released at the Agrocon conference in Pretoria yesterday.

The commission also recommended:

- Restrictive registra-

tion in the milling and baking industries should lapse from October 1;

- Subsidies on bread should also fall away from the same date; and

- Producers of wheat, and the milling and baking industries should contribute toward keeping the price of bread as low as possible from October 1 until the end of the financial year.

The document said

these recommendations had not yet been considered by the government and the Wheat Board had been asked for comments on the recommendations before they were submitted to the cabinet.

According to the document, the government's acceptance of the Davin Commission's recommendations would bring about a substantial change in the entire wheat industry. — Sapa

DISPATCH 19/10/66
BUREAU

Second
chance
exams

By DIRK VAN ZYL
Political Correspondent
CAPE TOWN — Students at coloured teachers' training colleges who did not write their internal examinations at the end of last year, or failed completely or partially, are to be allowed to write supplementary exams this month and next month.

This was announced today by the Minister of Education and Culture in the House of Representatives, Mr Carter Ebrahim.

Discretion would be vested in college rectors, who could also decide on a second option: to maintain the status quo by making students who did not write their exams at the end of last year, or wrote and failed, repeat the year and simply promote those who passed.

'One House could foil right wing'

Political Correspondent
CAPE TOWN — The Progressive Federal Party MP for Maritzburg North, Mr Graham McIntosh, suggested yesterday that the Government could thwart any right-wing threat by allowing one House of Parliament instead of the present three.

Speaking during the second reading debate on the Part Appropriation Bill in the House of Assembly, he said the Government refused, in the PFP's view "stupidly", to move away from legally

defined racial groups and racially defined voters' rolls.

"I want to suggest some changes to this system which would be unacceptable to the PFP, but might help to make Parliament less of an administrative nightmare both in Parliament and the Civil Service."

The Government, said Mr McIntosh, was threatened in certain seats by right-wing parties.

If there were one House elected on separate voters' rolls and on a 4:2:1 ratio (on which the

tricameral constitution is based), MPs could debate and vote on "general affairs" as one House and go into committee for "own affairs".

Mr McIntosh said although this was not a process of which the PFP approved, it would allow the Government to:

- Sacrifice none of its principles.
- Put the right-wing threat into perspective.
- Save the taxpayer a lot of money.
- Improve the credibility of Parliament as an institution.

Bread
increase
stalled

Political Correspondent
CAPE TOWN — Any bread price increase has been effectively stalled until the end of next month.

It was established yesterday that an additional amount of R49,7 million for the Department of Agricultural Economics in the present financial year includes R20,2 million to boost the bread subsidy.

The implication is that there will be no rise before March 31, the end of the current financial year.

An announcement about possible price rises in the new financial year could, however, be made by the Minister of Finance, Mr Barend du Plessis, in his Budget speech on March 17.

3-Heart
F. Post 21/2/86

Bread price rise looms

THE bread price is likely to increase by between 5c and 9c for a brown loaf, following the reduction in the subsidy which was announced in the Budget yesterday.

The Minister of Finance, Mr Barend du Plessis, said the Government had accepted the recommendation of the commission of inquiry into the bread subsidy, the Davin Commission, that the subsidy be phased out.

The subsidy, which amounted to R200 mil-

lion in 1985-86 will be reduced to R150 million in 1986-87.

Before yesterday's announcement it was calculated that the price of bread would have to go up by 5c if the subsidy was maintained.

The present subsidy on brown bread — white bread is not subsidised — is about 16c on a loaf. With the cut in subsidy this goes down to approximately 12c.

An announcement on the new bread price is expected by Thursday.

3 wheat
sewer 7/19W
1/8/2/88

1943 24/3/38
Political Staff (1) (2) (3) ^{with ENI}

Surprise as Govt shelves bread-price rise

Political Staff

THE bread price is to stay unchanged for the time being, it was announced today.

The announcement came as a surprise after widespread expectations that brown bread would go up soon.

There were fears that it could cost as much as 9c a loaf more after Finance Minister Mr Barend du Plessis slashed the bread subsidy in the Budget last week.

Now the Agriculture Minister, Mr Greyling Wentzel, said: "The bread

price increase has for the present been averted."

This was a result of funds being made available by the Wheat Board, he said.

According to sources in the Agriculture department the price is likely to be reconsidered only in October.

Mr Wentzel said: "It remains the Government's aim to keep the price of bread as low as possible, especially during this time of unfavourable economic conditions which are imposing a heavy burden on the less-privileged.

An apparently inevitable rise in the

bread price drew severe condemnation last week.

Mr Wentzel's announcement added: "The reduction in interest rates is continuously taken into account where the payment of financing costs on the Wheat Board's stocks is concerned.

"Millers' and bakers' margins will similarly be reduced from April 1 as a result of the lower interest rates.

"Besides these savings, the improvement in the exchange rate of the rand should result in the cost of wheat soon to be imported being considerably lower than originally expected."

STAR
③ WHEAT

Price could rise later

By Estelle Trehgove

Funds made available by the Wheat Board will temporarily prevent an increase in the bread price, but it could still rise after September.

It was announced yesterday that the board would contribute to the bread subsidy to stave off a price increase after a cut in the Government subsidy from R220 million to R150 million.

The board had decided to use money from its reserve fund,

said its general manager, Mr Dennis van Aarde.

However, the wheat season ended in September and it was possible producers would then ask for an adaptation in the wheat price due to rising production costs, he said.

If granted, this would affect the bread price.

The board had acted for humanitarian reasons and also in the hope that by staving off a bread price increase, it would stimulate higher consumption.

Minister says bread price won't go up yet

3-wheat
25/3/86
Mercury

Mercury Reporter

IN SPITE of the reduction in the Government's bread subsidy, the price of bread would not rise at present, Mr J J G Wentzel, Minister of Agricultural Economics and Water Affairs, announced yesterday.

The Minister of Finance, Mr Barend du Plessis, announced in the Budget that the subsidy on bread, which was R220 million during 1985/86, would be reduced to R150 million for the 1986/87 financial year.

Mr Wentzel said funds made available by the Wheat Board meant a rise in the bread price could be avoided.

From April 1, the interest on financing costs on the Wheat Board's stocks would be lowered, as would the millers' and bakers' margins.

He said that besides these savings, the improvement in

the exchange rate of the rand should result in the cost of imported wheat being considerably lower than expected, and a profit might be made on imported wheat.

'It remains the Government's intention to keep the price of bread as low as possible, especially during the current unfavourable economic conditions which are placing a particularly heavy burden on the less privileged of the population.

'It must, however, be remembered that the phasing out of the bread subsidy is in keeping with the Government's initiative to grant more direct assistance to that section of the population suffering physical hunger.

'Under the present economic conditions in which we have to contend with unemployment and physical hunger, the Government is giving careful attention to all possible measures which could help keep the price of bread as low as possible,' Mr Wentzel said.

Mr Wentzel said an 850 g loaf cost R1,22 in America, 88 c in Britain and R2,37 in France. This was compared with 70 c and 50 c for white and brown loaves respectively in South Africa.

Profit could help subsidise bread

Govt may make R25m from wheat

③ WHEAT
R25m
24/3/86

GOVERNMENT is likely to make a profit of about R25m on the importation of 300 000 tons of wheat this year.

And the profit could be used to minimise the October bread price increase, Pretoria sources say.

Agriculture Minister Greyling Wentzel has given permission for the importation of 150 000 tons to date, but it is understood the Wheat Board has asked for this to be increased to 300 000 tons.

At current world market prices, depressed by big surpluses in the main producing countries and at a rand/dollar exchange rate of about \$0,50, wheat could be landed in SA at about R265/ton.

GERALD REILLY

The local price is R325/ton.

The Wheat Board's normal carry-over at the end of the season in October amounts to about 650 000 tons or four months' milling supplies.

The 300 000 tons, it was pointed out, would ensure supplies for October and November, but if the harvest was late as it was last year, a shortage could develop.

Meanwhile, the bread price increase reprieve is expected to last until, at the latest, the start of a new wheat season on October 1.

Aka 10/14/86
30 text

R84-m shopping list for wheat shortfall

The Argus Correspondent

PRETORIA. — Top-ranking officials of the Wheat Board are overseas negotiating to buy some of the 300 000 tons of wheat needed to ease drought shortages.

The deputy-general manager of the Wheat Board, Mr David de Villiers, said today that the wheat industry was in a crisis and the 300 000 tons were needed to meet local consumption between now and the next harvest in November and December.

R84-million

He said that importing the wheat could cost as much as R84-million. Another R54-million may have to be spent on importing white maize.

However, the continuing drought might make further imports necessary because farmers in the Free State had so far been unable to plant this season's crops.

Substantial rain was needed between now and May to pro-

vide enough soil moisture for planting this winter's cereal.

This year's harvest, particularly in the main producing areas of the Free State, had been a failure, with 50 percent less wheat being delivered than the previous year, Mr de Villiers said.

Down by half

Last year the total wheat crop was 2 161 000 tons, but it is now down to 1 558 000 tons. About two million tons was needed to meet local demands.

Free State farmers produced only 416 000 tons, compared to the 1985 harvest of 1 040 000 tons.

Present wheat prices on the international market stood at about R280 a ton and, taking present conditions into consideration, including the exchange rate at 47 US cents, the import of the wheat could cost about R84-million. However, no deals had yet been concluded, Mr de Villiers said.

not have significant implications for the domestic UK economy and there has been no indication that the Bank of England would refuse to countenance a contested bid.

← From Page 1

McWilliam explained Stancha's hostility to the Lloyds approach on the grounds that a takeover would be detrimental.

10/4/86

~~SECRET~~

3 WHEAT BUS DAY

GERALD REILLY

SOUTH AFRICA will spend about R140m in foreign exchange this year to import 500 000 tons of grain to make good the shortages caused by drought.

To ensure sufficient wheat stocks despite the drought-shrunk crop of 1,57-million tons — 2-million tons are needed to meet local demand — the government is expected to approve the importing of 300 000 tons.

And according to Wheat Board sources, if the crop now being planted is late, there could be a wheat shortage in December. The 300 000 tons are needed to ensure adequate milling supplies from the start of the new season in October until the new crop is harvested about the end of November.

If the crop is late, further imports might be necessary. Although wheat prices on over-supplied world markets are low, the cost of importing 300 000 tons under current conditions, including the \$0,47 exchange rate, would be about R84m.

However, the wheat could be landed in SA at R100 a ton less than the local price, which would give government a solid profit of about R30m.

Maize, too, is to be imported from Zimbabwe to ensure an adequate supply of pure white meal. The cost in rands of

Massive SA grain shortage

the 200 000 tons to be imported at about R280 a ton — compared with the local price of R218 a ton — will be about R54m.

The actual loss in rands in this deal is estimated at about R12m, which will be paid for by the taxpayer. The National Maize Producers Organisation (Nampo) has claimed that imports are unnecessary.

Nampo head Piet Gous also says that western Transvaal farmers can expect extensive crop failures this year because of the lack of rain over the last few weeks.

He adds that a crop of about 1,5-million tons, with earnings in the region of R330m, is expected because insufficient rain fell in February and March to nurture late plantings.

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Confidentiality will be identified by a code which

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BUS DAY
7/5/86

Wheat seems set to push up bread price

3 WHEAT

THE first step in what is certain to be a substantial bread-price increase in October will be taken early next month at a meeting between the Wheat Board and producers. Under discussion will be a new wheat price.

The bread price was last raised in October — by 5c a loaf for white and brown bread.

Finance Minister Barend du Plessis announced a bread-subsidy cut of R70m-R150m in his March Budget.

Wheat Board funds were used to avert an increase from April 1 this year. However, the R150m subsidy will have run out by the end of September and this, combined with an expected increase in the wheat price, will mean a substantial increase in the bread price.

The Davin Commission recom-



● DU PLESSIS

GERALD REILLY

mended that the bread subsidy should be scrapped from October this year and that price control on wheaten meal and standard bread should be removed.

Wheat Board general manager Dennis van Aarde told *Business Day* yesterday that the wheat price was raised by 8,7% last year. Taking into account the decrease in the fuel price and lower interest rates, farmers' costs could have increased by about 15% in the past 12 months.

On the 300 000 tons of wheat which will have to be imported to supplement the small 1,57-million-ton local harvest, Van Aarde said although prices might harden because of the Cherbonyl nuclear disaster, a profit would still be made on imports. Compared with a local price of R325 a ton, it had been possible up until a few weeks ago to land imported wheat at R270 a ton.

Page 12

305 DA 2/15/86

3 WHEAT

Premier builds R50m mill

PREMIER MILLING has given the green light for a R50m flour mill at Vereeniging.

Chairman Tony Bloom said yesterday Premier's multi-million-rand investment at a time when the economy was depressed was an act of faith.

"It is hoped the authorities recognise this as such.

"The government needs to look at methods of remunerating the industry so that further investments can be made on the basis of an adequate return on capital."

Bloom was referring to last year's temporary deviation from government's accounting methods used to determine

MICK COLLINS

profit margins. At the time the move cost Premier R8m in lost profits.

He said improvements in the quality of life for blacks would be enhanced by continued growth and expansion.

"Present milling capacity in the group is running at over 90% and our ability to meet increased demand is being inhibited.

"All of the industry is bumping against the limits of capacity. Our decision to go ahead is based on retail demand for cake flour, which is growing.

"The new mill will give us an extra 10% capacity, which is vital during peak-demand periods."

Wheat-grower costs a major factor

Bread price set to rise

Subsidy
6/6/86
WHEAT

THE chances of government finding the money to avert an increase in the bread price from October are slim, say Pretoria sources.

Wheat producers meet in Paarl next week to recommend what is expected to be a substantial increase in the new season's wheat price.

The recommendation will be discussed at a Wheat Board meeting in Pretoria on July 23 before a final recommendation is made to government.

The last producer price increase of 8,7% to R325 a ton last October was well within the production cost rises of the

GERALD REILLY

previous 12 months.

Wheat Board general manager Dennis van Aarde said yesterday input inflation since then had been substantial and would be a major factor in determining the new price.

Last year's subsidy was R220m. Had it not been for R40m contributed by the Wheat Board and the trade, the price of bread would have risen far more than the 5c a loaf of last October.

To accommodate the expected wheat price rise and this year's fast dwindling

R150m subsidy, a price increase is considered certain.

If government did raise the subsidy, it would be contrary to a commission recommendation that the subsidy be abolished from October 1.

Van Aarde said that of the 300 000 tons of wheat to be imported this year, 55 000 tons had been ordered from Canada and 90 000 from Australia.

Tenders would close on June 11 for another 90 000 tons.

He said that because of glutted world markets, SA could import wheat without loss even at the current rand value of about \$0,39.

Sunrise news

ILITIES at the centre.

ment," said Mr Henen.

be made in Mossel Bay. — Sapa

government could do about what was being distributed elsewhere in the world.

Bread price should hold despite wheat imports

By Jackie Unwin

Although South Africa is having to import large quantities of wheat this year, its landed cost will be well below the domestic price and should not affect the price of bread, says Mr Dennis van Aarde, Wheat Board general manager.

But he could not say whether the bread price would rise in the long term if the local wheat price rises — as it is expected to — because of substantial input cost increases.

This would result in the Government's

R150 million bread subsidy running out.

Mr van Aarde said it was difficult to foresee what would happen to the bread price. "We will have to see what the price of wheat for the new season will be. If there are no cost increases the bread subsidy will be sufficient to see us through to March next year."

"But should the cost of wheat and the milling and baking industry costs increase, the bread subsidy will run out during the year. Then there will be two options, to make further funds available, or to push up the price of bread."

The board had recommended the importing of 300 000 tons. "This should see us through until the new wheat comes in at the end of November," said Mr van Aarde.

"We have concluded contracts with the Canadian Wheat Board for the importing of 55 000 tons and 90 000 tons from Australia. We are now calling for tenders for a further 90 000 tons.

Mr van Aarde said the imported wheat at a landed cost of about R300 a ton will still be below the domestic price of R325 a ton.

New toll road will

0003184

9/11/80 (3) WHEAT (153)

Bread price rise on the cards

A WHEAT and bread price rise from the start of the new season on October 1 is considered a certainty.

GERALD REILLY

Producers expect an increase of about 15%. Their recommendation will be discussed at a Wheat Board meeting next week, before the board submits its recommendation to the National Marketing Council.

Producers claim their input costs have risen by at least 16% in the past season. Last year government agreed to an increase of 8.7%, which was just more than half the inflation rate.

Consequently, producers say the profitability gap is closing. Whatever the producer-price rise is going to be, it will be loaded on the bread price.

This year's R150m bread subsidy will probably be enough to maintain current prices until the start of the new financial year, provided the wheat price and millers' and bakers' margins remain unaltered.

So, unless government agrees to supplement the subsidy, an increase in the bread price is inevitable.

The Davin Commission recommended that the subsidy lapse on October 1. However, the Wheat Board says if the subsidy is abolished, the price of brown bread will have to rise by at least 25%.

SA may review policy on grain

AMG'S
10/1/86
3/2/86

Political Staff

SOUTH AFRICA will have to review its foreign grain buying policy if sanctions disrupt its normal trading relationships, the Minister of Agriculture, Mr Greyling Wentzel said today.

Mr Wentzel was announcing the granting of a new contract to buy a further 66 000 tons of wheat from the United States.

Mr Wentzel made no reference in his statement to reports that the Government had deliberately refused to give the contract to Australia because of that country's official attitude towards imposing sanctions on South Africa.

CLIMATIC

He said that the total quantity of wheat which had had to be imported because of an unfavourable climate affecting the South African crop during the last year was 301 000 tons.

Of this 55 000 tons had been bought in Canada, 90 000 tons in Australia and 156 000 tons in the US.

"Contrary to other drought-stricken African countries, South Africa finds itself in the favourable position of being able to supplement its food supplies through imports which are paid for in cash.

"In addition, South Africa also supplies wheat to certain other African countries, which in the current year entails deliveries of about 150 000 tons of wheat to neighbouring states."

OBSTACLES

Mr Wentzel said that South Africa had, until now, not encountered insurmountable obstacles in its traditional way of trading.

"It is trusted that in spite of alleged trade sanctions the country's traditional trading partners will proceed with their international treaty obligations and continue to trade with South Africa on a non-discriminatory basis.

"Should it, however, differ in the future the South African Government will have to drastically review its purchasing policy from abroad."

He said that in all probability South Africa would have to continue to import wheat for the foreseeable future.

GERALD REILLY

AGRICULTURAL Minister Greyling Wentzel hinted strongly yesterday at a tough reaction should sanctions be applied against SA in the agricultural field.

In a statement, Wentzel said government had awarded a contract for 66 000 tons of wheat to US suppliers. It was not clear from the Minister's statement whether the Australian bid for the contract was rejected on political grounds.

Last weekend Australian reports were that the Australian government was holding back on its decision to tighten sanctions against SA until the contract was awarded.

SA might get tough over crop sanctions

And earlier this week, the Australian Labour Party at its annual congress voted for tougher sanctions against SA.

Wentzel said he hoped SA's traditional trading partners would honour their treaty obligations.

"Should this however not happen, government will have to drastically review its purchases policy from abroad," he said.

Front-line states to decide on sanctions stance

1
8/8/86

London Bureau

THE leaders of the six African front-line states are to meet in Luanda on August 21 to decide how they can implement the sanctions against South Africa agreed on at this week's Commonwealth summit in London.

The issue is a difficult and potentially humiliating one for them, since none has any economic muscle and all suffer from problems which inhibit their capacity for independent action.

In addition to sanctions against South Africa, they will discuss the best ways of twisting Britain's arm in an attempt to persuade Mrs Thatcher to take tougher measures. Britain was the odd-man-out at the London summit, with Mrs Thatcher rejecting the list of sanctions agreed by the six other leaders.

It is probably with Britain in mind that the front-line states have invited Nigeria to attend the Luanda meeting. Nigeria is Britain's best customer in black Africa.

The six front-line states are Angola, Botswana, Mozambique, Tanzania, Zambia and Zimbabwe.

Angola and Mozambique suffer from civil wars

which have wrecked their economies. Tanzania and Zambia depend heavily on aid and are close to bankruptcy.

Botswana is entirely dependent on South African goodwill and is opposed to sanctions. Only Zimbabwe has any pretensions to a robust economy, and even in its case 90% of its exports and imports pass through South Africa.

Another outside country invited to the Luanda meeting is Kenya. The front-line states presumably want its help in stopping the refuelling at Nairobi of flights to Johannesburg.

The region's greatest problem is communications. Aid is being given to improve railways and

roads, but minerals exported to Europe and other parts of the world more often than not pass through South Africa.

President Reagan is sending a senior official to offer help to the front-line states. Britain is unlikely to be willing to co-operate until it knows whether Mr Mugabe means to carry out his threat to discriminate against British trade and interests.

The leaders' meeting in Luanda will be preceded by one by their foreign ministers and followed by the nine-nation Southern Africa Development Co-ordination Conference, a group set up to reduce dependence in South Africa.

62044 12/18/85 (3) WHEAT

Wheat price set to rise soon

A WHEAT price increase is certain from the start of the new season next month, say Pretoria sources.

The Wheat Board is understood to have made a strong recommendation to Agriculture Minister Greyling Wentzel for a substantial price rise.

Wheat Board GM Dennis van Aarde says wheat producers received an 8,7% increase last year and nothing in 1984. With the increase in input costs, he says, there is strong justification for a price rise.

Other sources claim an increase of at

GERALD REILLY

least 10% is likely. The issue is now with the National Marketing Council.

There is said still to be a residue in this year's R150m bread subsidy pool. However, if the wheat price is raised and there are increased margins for the baking and milling industries, a bread price increase is certain — if not next month then before year-end.

Government is unlikely to allocate further funds to boost the bread subsidy and prevent a bread price increase.

Wheat Board pushes for growth

1986
Financial Staff

Hard hit by one of the severest droughts in living memory, South Africa's agricultural industry is applying every available method to increase productivity and ensure financial survival.

More than ever, processors and consumers of basic foodstuffs depend on sophisticated resource allocation techniques and accurate statistics to help them plan more effectively.

The Wheat Board is using the

IBM System/38 relational database architecture to boost throughput and improve its ability to process the thousands of transactions relating to wheat, flour and bread sales and purchases made in South Africa.

The board recently decided to upgrade its existing IBM System/38 model 20 to the newly announced model 600 with 12 megabytes of main memory.

Also on order are the new 9335 direct access storage subsystems.

"The industry is experiencing

severe economic conditions and the new system will help us all become more efficient," said assistant manager, Mr Dennis van Aarde.

"Up to about five years ago, we could rely on a five percent increase a year in consumption. But with the black population turning more and more to bread, growth has dropped to two to three percent.

"With greater efficiency, we believe even the small percentage growth will be good for the industry," he added.

20/9/86 (3) wheat

wheat growers in 'bread basket of Eastern Cape'

'not farmers' fault'

for the dust problem.

The problem was highlighted this week with reports of a vast dust cloud, swept along by winds gusting up to 70km/h along national route N2.

The cause was attributed by the Department of Agriculture and Water Supply to wind erosion in the Paterson district.

Mr Lovemore said the blame was being placed at the door of the wheat farmers in the Paterson district with allegations that valuable topsoil was being carried out to sea.

"There is no way that our soil can get to Algoa Bay," said Mr Lovemore.

The Paterson farmers defended themselves against accusations made against them in a letter which appeared in a PE daily newspaper this week.

The writer, Mr Timm Hoffmann, who is doing his doctorate at the University of Port Elizabeth on the vegetation dynamics of the Sundays River catchment area, claimed the wind was not to be blamed for the erosion "but the farmers of the area stand accused".

Mr Hoffmann said in his letter that the Paterson district should never have been a wheat growing region and the clearing of vast tracts of valley bushveld vegetation of this area should never have been allowed.

Mr Hoffmann could not be contacted because he was away on a field trip.

"We realise there is a problem but it is a natural catastrophe. It has been the driest four-year period in 60 years. The last time wind speeds like that were recorded was in 1981, when 161mm of rain fell," said Mr Lovemore.

He said abnormal winds

Stubble strewn in bid to contain topsoil losses

had been experienced in June only a week after wheat was planted.

There are about eight farmers who plant wheat on a large scale in the district.

Mr Ulrich van Rensburg, of the farm Thornycroft, said silos with a capacity of 30 000 tons had recently been built with the go-ahead and sanction of the Wheat Board and the Land Bank.

"The potential here warrants putting up the silos. It is not a case that farmers here have gone into growing wheat blindly," he said.

For the past three years the Department of Agriculture had strictly enforced an existing ruling that permission had to be obtained and granted before bush could be cleared.

There was a fine for clearing bush without permission from Agriculture and this was strictly enforced.

Another big wheat farmer, Mr Neil Buchner, of the farm Aasvoelvlei, said: "The natural bush is worth nothing at all. You'd starve if you had to live off it. Stock will not eat it," he said.

Mr Buchner said there had been no clearing of bush in the Paterson district since 1983. Bush clearing had started in 1962 and peaked in '80.

"We are as concerned about the wind erosion as anyone," said Mr Buchner. "But it is not our fault it is taking place," he said.

Wind erosion was not confined to wheat lands.

Paterson is the biggest wheat-producing area in the Eastern Cape, with about 14 000 hectares under cultivation.

The yield from the district is two tons per hectare which is above the country's average, and better than the wheatlands of the Western Cape.

Mr Lovemore said the past four years had been the driest since the first rainfall records were kept in 1927. The next-driest four years were from 1927 to '30.

The average rainfall per year for the past four years has been 375mm and the average monthly rainfall is 31,25mm.

Mr Jimmy Wild, control technician for the Paterson and Grahamstown region, said the natural gain of topsoil was only five to 10 tons per hectare a year.

Compared with the loss through water erosion, which averaged between 60 and 70 tons per hectare a year, the erosion from winds in excess of 30km/h was 150 tons per hectare an hour.

Mr Wild said his source was a Department of Agriculture publication, *Primer on Soil*, a manual for soil conservation, which said that winds in excess of 40km/h can remove 150 tons of dry soil from one hectare in one hour.

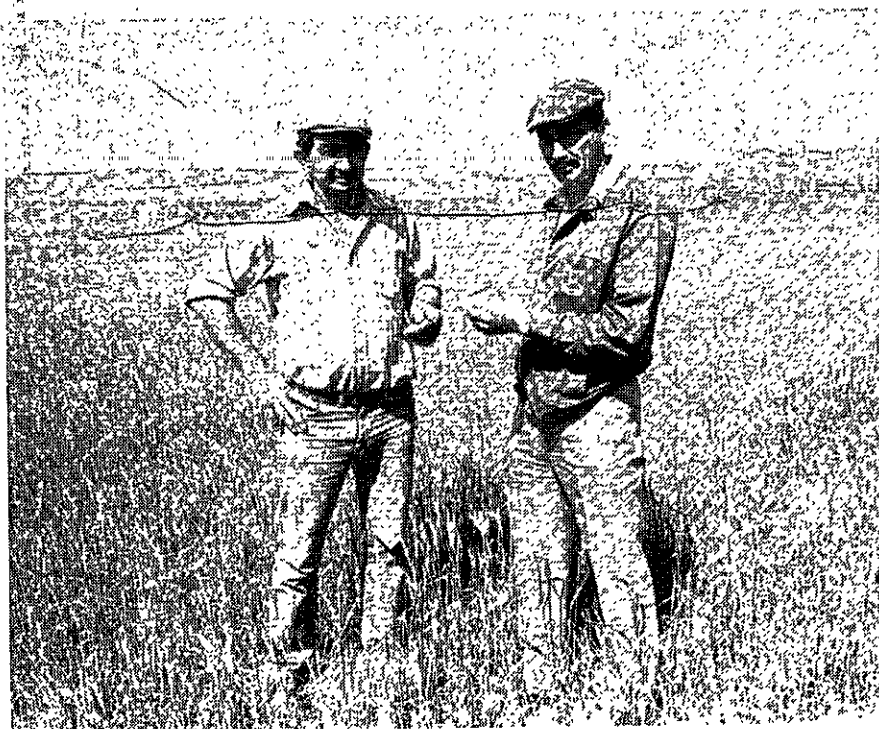
An American publication brought out by the John Deere Company said that a wind of 25 miles an hour

(40km/h) could cause a soil loss of 60 tons an hour from one acre (0,4ha).

Soil erosion, which peaked during July, August and September, was occurring in lands stretching from Uitenhage eastwards to Paterson.

Farmers said a big four-day blow at the end of August at Paterson had resulted in fence poles being buried under topsoil. Some fence poles smashed under the weight of mealie leaves which blew against the fences.

Come and talk to us on our home ground... this is the challenge from Paterson wheat farmers Mr ULRICH VAN RENSBURG (left) of the farm Thornycroft, Mr WALLACE LOVEMORE, of Preston Park, and Mr NEIL BUCHNER, of Aasvoelvlei. They are standing on a sorghum field on Aasvoelvlei which has been spread with stubble in a bid to cut down on wind erosion.



Mr NEIL BUCHNER of the farm Aasvoelvlei and Mr ULRICH VAN RENSBURG of the farm Thornycroft in the Paterson district on one of the wheat lands at Aasvoelvlei.

Bread price to rise 6c as grain costs leap

Argus 25/9/86 30 leaf

The Argus Correspondent

JOHANNESBURG. — The Government today announced a 6c increase in the price of white and brown bread from October 1 — a move which has shocked consumer and feeding scheme organisations.

The president of the Housewives League, Mrs Lyn Morris, said the 12 percent increase in the price of brown bread was excessive. White bread will increase by 8,5 percent.

She said the big jump in the price of brown bread would cause great hardship for the poor.

A spokesman for Operation Hunger said the price increase was a big blow and would increase the need to help the hungry.

White and brown bread will cost 76c and 56c a loaf respectively from next month, said a statement released by the director-general of the Department of Agricultural Economics and Marketing, Dr DW Immelman.

The announcement of a higher bread price coincides with a Wheat Board announcement of a 10,8 percent increase in the producer price of wheat.

In his statement, Dr Immelman said: "The Government has decided on this (bread) price increase in view of the increase in the price of wheat ... and also rises in the costs of the milling and baking industry."

Special measures

He said the last bread price increase was a year ago.

An increase in the price of bread, which would have become effective on April 1, was deferred by means of special measures taken by the Government as well as the financial contribution made by the Wheat Board and the milling and baking industries.

"All possible measures have been taken to limit the increase in the bread price."

He said this year's bread subsidy of R193-million was insufficient to prevent a bread price increase. Last year's subsidy, financed mainly by the Government and the Wheat Board, was R210-million.

Industry sources say the Government had to increase the price of brown bread substantially as more consumers were switching to brown because it was cheaper.

The Tygerberg Bureau reports from Stellenbosch that the producer price of class A wheat for the 1986-87 season is to be increased by 10,8 percent from R325 a ton to R360 a ton.

This was announced by the chairman of the Wheat Board, Mr CD Cillie, today.

Mr Cillie said the increase would be insufficient to compensate producers' rising costs.

To help producers and boost their confidence in wheat cultivation, an extra R15 a ton would be paid to producers from the wheat reserve fund.

Mr Cillie said domestic consumption of wheat had increased faster than production in the past few years.

Other cereals

The Minister had also approved the Wheat Board's recommendation for increased producer prices of barley, oats and rye.

The basic producer price of M1 barley, called malting barley, would increase by 11,5 percent to R300 a ton and the price of grade 1 oats would rise by 8,1 percent to R200 a ton. The price of grade 1 rye would be increased by 15,1 percent to R285 a ton.

The Argus Political Staff reports that Opposition finance spokesman Mr Brian Goodall, Progressive Federal Party MP for Edenvale, has expressed dismay at the increase in bread prices.

He said unemployed people would be hard hit as bread was a staple food and the increase was a sign the Government had given up the fight against inflation.

Mr Goodall said an increase in the price of a basic food should be delayed until economic conditions improved.

76 cents for white loaf and 56 cents for brown loaf

(2) Week



'BREAD PRICE HARD' ON WORKERS'

THE PRICE of bread will be increased by 6 cents per loaf as from next Wednesday, October 1, the Director General of Agricultural Economics and Marketing, Dr Dirk Immelman, announced in Pre-

toria yesterday. Speaking at a Press conference yesterday morning, Dr Immelman said white and brown bread will now cost 76 and 56 cents per loaf respectively. This represents an increase of 8.5 percent in the price of white

bread and 12 percent in the price of brown bread, he added. Dr Immelman said: "In spite of the total subsidy contribution of R193 m for the present financial year it is not possible in the circumstances to stave off a price increase any further".

The director of the consumer council, Mr Ian Cronje yesterday reacted to the increase and said it will "add to the already expensive total of the consumer's shopping basket". The consumer, he added, have been indirectly paying the subsidy since tax money was used to fund the bread price.

Needy

Mr Cronje said: "Subsidising is not the indicated method to help the needy since it does not benefit only the needy but also the affluent consumer who does not need it. There are several welfare services and assistance projects to which those who are genuinely in need can turn.

"Phasing out subsidies will take some of the pressure off the state coffers and hopefully result in lower taxes for consumers".

A spokesman for the Azanian people's Organisation said the increase in the price of bread will only worsen the already existing plight in the black community.

Suffering

Mr Frank Meintjies, of the Congress of South African Trade Unions (Cosatu), said the rise in the bread price was sure to bring more suffering to the poor, "who we all know are workers".

SA using grain as a weapon?

3/10/86
BUS DAY

SA COULD be using its advantageous buyer position in a glutted international grain market as a weapon in its anti-sanctions campaign.

The world's granaries are overflowing with surplus stocks and observers say suppliers could be so eager to find a market it may be difficult for them to agree not to sell to SA.

The US has surplus grain stocks — 55% of the world total — to provide for its needs for more than a year. World grain production this year is expected to reach 1.4-billion tons.

Further momentum was given to the last-minute effort to sway the US Senate yesterday when SA Agricultural Union (Saau) president Kobus Jooste telexed senators representing farming states.

And Agricultural Minister Greyling Wentzel came out in support of Foreign Minister Pik Botha's threat to end SA's imports of US wheat if the US government applied sanctions against SA farm exports.

Progressive Federal Party (PFP) agriculture spokesman Errol Moorcroft

LINDA ENSOR
and GERALD REILLY

said Botha had "called their bluff — and he could get away with it.

"I believe they would experience grave problems in keeping suppliers of wheat out of SA."

Simple economics would ensure that sales went ahead and any government trying to hinder that would face an outcry from farmers.

Saau's chief economist said the low grain prices on the international market and the large surpluses meant suppliers "would be climbing over each other to supply. Pik Botha must believe he has ground under his feet to speak so confidently."

Professor Ekhart Kassier of the Department of Agricultural Economics at Stellenbosch University agreed that internationally it was a buyer's market.

He agreed with the Saau economist that, if necessary, SA could become self-sufficient in wheat production. Govern-

● To Page 2 →

SA wielding grain weapon?

3/10/86
BUS DAY

ment could provide price incentives to increase production and also embark on a storage programme.

But SA would be in dire trouble if the US, Australia and Canada banned wheat exports to SA in a year of poor wheat and maize harvests.

The economists said surpluses of wheat and maize posed a greater problem than shortages as it would be difficult to find markets — especially in the light of bans by some countries on the import of SA agricultural products.

A surplus of about 2-million tons of maize is expected this season.

The value of SA farm exports to the US is insignificant compared to the

country's total exports. A US embassy source said in 1984 the figure was R118m and last year R98m. US farm exports to SA totalled \$108m last year and \$481m in 1984 when large maize imports were required.

This year 156 000 tons were bought by SA from the US (less than 1% of its total wheat exports), 55 000 tons from Canada and 90 000 tons from Australia.

Usually 1.9-million tons of wheat are produced annually and 2.2-million tons consumed — including the 150 000 tons exported to neighbouring states.

← ● From Page 1

It came in the form of Mr Botha's warning this week that the South African transport system would not carry American wheat imported by neighbouring states if the United States Congress overrode President Reagan's veto of its sanctions against the Republic.

When the Senate voted on Thursday to support the stand by the House of Representatives, the rejection of the veto was confirmed. South Africa's neighbours are now waiting to see if Pretoria will carry out Mr Botha's threat.

Mr Botha's statement has the appearance of a threat of retaliation by Pretoria rather than a warning of an unavoidable consequence of American sanctions, for there is no practical reason why South African Transport Services could not still transport American wheat to neighbouring states, even if Pretoria were boycotting it.

There was an immediate reaction yesterday in Swaziland, when a local newspaper reported fears that South Africa would block a large cargo of American wheat already on its way.

However, the American Embassy quickly issued a statement denying that the wheat was on its way to Swaziland.

By Gerald L'Ange,
The Star's Africa
News Service

It explained that the American and Swaziland governments had been discussing a grant of American agricultural commodities to Swaziland "to offset the impact of a change in the US sugar-quota system", which apparently has reduced Swaziland's allocation.

One of the commodities being discussed was wheat, but no agreement had yet been reached, the embassy said. Discussions were still going on with several governments.

Mr Botha's threat appeared to be more rhetorical than real, however, for he did not talk about SATS refusing to carry wheat imports to the neighbouring states from countries other than the United States.

In other words, SATS would still transport wheat bought by, say, Botswana from Canada.

HOME-GROWN

As far as can be ascertained, neighbouring states, in any case, buy little wheat from the United States. They are believed to get mainly from South Africa, Canada and Australia.

It could not be established, however, whether any of the wheat sold by South Africa to neighbouring countries (150 000 tons this year) has included wheat bought by South Africa from the United States (156 000 tons) or whether the Republic supplied only home-grown wheat to its neighbours.

The biggest consumer of wheat in the region, apart from South Africa, is Zimbabwe, which uses 240 000 tons a year. Of this, between 50 000 and 100 000 tons is imported from Australia, Canada, Europe and the Argentine. None has been bought from the United States.

Mr Botha's statement, nevertheless, represents the most explicit threat yet made on behalf of the South African Government to deflect the impact of anti-apartheid sanctions on to neighbouring states.

It differs in an important respect from previous statements that sanctions might force South Africa to repatriate migrant workers from neighbouring countries. The migrant workers would have to make way for South Africans put out of work by sanctions. However, a refusal to carry American wheat to neighbouring states would be political rather than a logistical.

South Africa's veiled threats to use neighbouring states as a shield against economic sanctions have now become specific. Foreign Minister Mr Pik Botha has made the first direct threat of South African retaliation against its neighbours for sanctions imposed by third countries.

Pik's wheat warning may
is 'gloves off' signal if

③ WITNESS
S.M.
A/10/18

December 5 1988

Good rains bring hope of great year

BUSDAY
5/12/88
③ WHEAT
FARM

Free State set for a bumper wheat crop

A BUMPER wheat crop is forecast for the Free State after recent good rains.

The crop estimate is 200 000 tons, compared with 65 000t last year.

A survey conducted among co-operatives in the province shows conditions vary from reasonable to good. Indications seem to point to a great year.

However, a spokesman for the Glen Agricultural College, north of Bloemfontein, said Jacobsdal was faced with a dilemma, because of very little rain.

Meanwhile, the heavy rains of the past week have seen a slight improvement in storage dam levels.

MICK COLLINS

The average contents of dams in the Western Transvaal have risen by 1%. But dams in the area have, on average, 23% of capacity, compared with 27% this time last year.

Dams in the Vaal River system are at 23,17% of capacity, compared with 20,8% at this time last year. In the Eastern Transvaal the average level is 24%.

As a result of the rains, water consumption figures have dropped to 0,8% below quota in the past week.

In the upper Orange River, dams are at 88% capacity. Lev-

els of dams in the Western Cape have dropped by 1% on average in the past week.

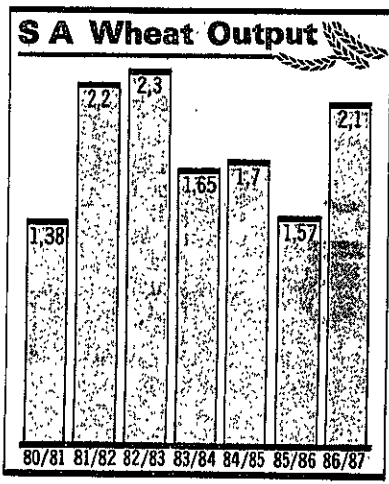
The levels of dams in the Eastern Cape have remained constant at 64% of capacity, and those in Natal at 62%.

Reports of improved agricultural conditions and better crop prospects have also been received from most regions. However, poor conditions continue to prevail in Northern Natal.

Good rains have fallen over most of the Free State and Western Transvaal since Tuesday.

At Besiesvlei, 55mm of rain was measured and the Harts River is flowing strongly.

BAD DAY 31/12/86.
③ WHEAT



Bumper wheat harvest

GOOD RAINS this season have produced the largest SA wheat crop in four years, but the increased supply will not translate into a drop in price.

This year's bumper crop of 2,1-million tons is 33,8% up on the 1,57-million tons produced during the 1985-86 season.

Although the local price of wheat is unlikely to be affected, the larger crop means that SA will not have to import wheat for at least the next 12 months, says Wheat Board deputy manager Andries Liebenberg.

Last year's lean crop resulted in 301 000 tons being imported from

ECONOMICS REPORTER

Australia, Canada and the US.

Wheat was imported to service SA's foreign customers — rather than the local market where there was no shortage.

However, SA has only needed to import wheat three times in the last twenty years, says Liebenberg.

Although Canada and the US have since imposed a ban on wheat exports to SA, the Board is not concerned. A glut on the world markets has ensured an ample supply of alternative sources.

WHEAT — AGRICULTURE

1987

JAN — NOVEMBER

Wheat growers in the dough

13/11/87 GERALD REILLY (3) WHEAT

WHEAT producers will earn a gross R730m for the big crop being harvested at present. Wheat Board GM Denis van Aarde says a final assessment of the crop will be made only at the end of the month, but it is likely to be about 2,2-million tons. This will eliminate any need this year for imports.

Crop losses in the Western Cape because of excessive rain have been more than compensated for by a record OFS crop of more than a million tons — double last year's figure.

The board expects to have a 340 000-ton carry-over at the end of the season in October.

Other sources say a bread price adjustment is certain later this year, but not before the general election.

**Bumper wheat
crop for SA?**

PRETORIA — The second largest wheat harvest in South African history is being anticipated this season.

The general manager of the Wheat Board, Mr Denis van Aarde, said the seasonal estimate was 2 256 million tons, and no wheat would have to be imported this year. The record harvest was 2 285 million tons in 1983. — Sapa

29/1/87
W
3 WAAR

Wheat crop expected to be country's second-largest

By Sue Leeman, Pretoria Bureau

Thanks to the good rains, the second-largest wheat crop in South African history — 2 256 million tons — is about to be harvested, according to the general manager of the Wheat Board, Mr Denis van Aarde.

Maize farmers predict a healthy harvest of nine million tons this year — but they say they have reservations about the new maize marketing system which is expected to bring lower producer prices on larger crops.

He said that an above-average harvest had been recorded in the Free State where good rains had fallen. Last year Free State wheat farmers brought in 450 000 tons but this year their production was expected to be around 1,1 million tons.

The Cape was expected to turn in a crop of 900 000 tons while the Transvaal would produce 177 000 tons. Natal — not traditionally a wheat area — had produced another 40 000 tons.

Mr van Aarde added that the new maize marketing system would have an effect on the wheat industry.

"From this season, the price of maize will depend on the size of the crop — the bigger the crop, the lower the prices.

"Some of this year's good crop will be exported at a loss.

"This means the producer price will come down and we can therefore expect that a certain percentage of the land, including border areas and those with

low potential soils, could be turned over for wheat production."

The general manager of the National Maize Producers Organisation (Nampo), Dr Piet Gouws, has called for a subsidy on the export price of maize.

Cape Times 4/2/87 3:15pm

Bumper wheat crop due

JOHANNESBURG. — The second-largest crop in the wheat industry's history — within a whisker of the biggest — is now virtually "in the bag", according to Wheat Board general manager Mr Dennis van Aarde.

A 2 256 million ton haul is expected, compared with the 2 285mt harvested in 1982/83.

The latest harvest is expected to earn farmers about R800m, says Mr Van Aarde.

Local milling needs and exports to neighbouring countries will account for 2 205mt.

The surplus will be added to the carry-over at the end of the season in September.

The board hopes to carry over at least three months' supply into the 1987/88 season.

"This means we should be self-sufficient in our wheat requirements. We most probably will not import wheat for this season," Mr Van Aarde said.

He attributed the size of this year's anticipated crop to good rains, especially in the northern provinces.

Mr Van Aarde said prices this season were averaging R350 per ton, or about 10% higher than the previous year.

He said the bulk of this year's crop had already been harvested, making changes for the production estimate unlikely.

Last year, when South Africa was still suffering from a severe prolonged drought, it imported 300 000t of wheat from the US, Canada and Australia. — Sapa-Reuter

Bumper wheat harvest for SA

GERALD REILLY

WHEAT producers had grown the second biggest crop in the industry's history — a 2,256-million ton haul — Wheat Board GM Dennis van Aarde said yesterday.

The biggest — 2,285-million tons — was harvested in 1982/83.

This year's harvest will earn farmers about R800m.

Local milling needs and exports to neighbouring territories will account for 2,205-million tons.

The surplus will be added to the carry-over at the end of the season in September.

The board hopes to carry over at least three months' supply into the 1987/88 season.

5/Dec/87
3
Wheat

Bread price hike likely within next 6 months

A SUBSTANTIAL increase in the bread price could be announced by Finance Minister Barend du Plessis in his June 3 Budget, say Pretoria sources.

If not, a price hike is certain from the start of the new wheat season in October. The current financial year's total subsidy of R193m is running out.

It is considered unlikely a similar amount will be available to support the bread price in the 1987/88 financial year. The R193m is made up of a government subsidy of R150m, R31m grant from the Wheat Board's stabilisation fund, and the R12m profit made last year on wheat imports.

GERALD REILLY

Government sources say it is unlikely the Wheat Board will again be in a position to boost the subsidy, and as there will be no imports of cheap wheat in the new season, there will be no profits to add to the subsidy.

The wheat price is also likely to be raised in October, which will have to be recovered by a price hike. Meanwhile, the Wheat Board says a near-record crop of 2,237-million tons is expected this season.

This is enough to meet the local need, which is increasing at about 3% a year.

Report by Gerald Reilly, 216 Vermuelen Street, Pretoria

Bread price hike looms

PRETORIA — The Wheat Board is due for discussions with wheat producers later this month — the first step towards a higher bread price from the start of the new season on October 1, it was learned in Pretoria.

And if Finance Minister Barend du Plessis refuses to raise the current bread subsidy in his budget tomorrow the increase is likely to be a steep one.

The current subsidy of R150m provided for in the mini-budget in February will be exhausted by end-October, and if not increased a bread price hike is certain by end-September.

B. Day

GERALD REILLY

3 wheat

2/6/87

In addition, at end-September it will be a year since the milling and baking industries got increased margins.

Costs in the two industries have increased and margins are bound to be adjusted upwards.

This year's 2,25-million ton crop — the second biggest on record — will be enough to satisfy the growing local demand.

Budget

THE Automobile Association yesterday welcomed the consolidation of the National Road Fund (NRF), Central Energy Fund (CEF) and Motor Vehicle Accidents Fund (MVA), levies and GST in the fuel price announced in Wednesday's budget.

AA director-general Mr Peter Elliott said rationalisation should "ensure receipt of monies presently lost through evasion of duty."

THE Housewives

League of South Africa yesterday welcomed several aspects of Wednesday's Budget, but added tax relief and an increased bread subsidy would have been welcomed:

In particular, the league welcomed:

- The surcharge concessions on certain imported raw materials.

"We trust this measure will be used towards containing consumer prices of the relevant

Concern over bread subsidy

manufactured products." price and maintain an un-changed consumer price."

- The increase in education funds.

"This is an investment in our country's future." citizens in the creation of savings bonds at 15 percent.

- The R134 million for the maize industry (announced earlier).

"To prop the producer won't cause an imbal-

ance of savings sector."

The league was "very concerned, indeed, that the Finance Minister Mr Barend du Plessis could not see his way to increasing the bread subsidy "at least for a

further year until our economic upturn has stabilised and consumers are more able to withstand the inevitable increase in the price of bread."

The league added: "We would have liked to have seen some form of tax relief and hope that when the Margo Report is eventually published, the Minister will implement some relief recommendations immediately and not wait until his 1988/89 Budget." — Sapa.

Price of bread
'likely to rise'

Pretoria Bureau

Wheat Board general manager Mr Denis van Aarde says the price of bread is likely to rise by October unless the Government made more money available.

He said the Government allocated R166 million for subsidies in the last financial year. This year the figure was only R150 million.

Another R12 million came from the Milling and Baking Industry and R15 million from the Wheat Board.

Mr Van Aarde expects the subsidy to run out by the end of September.

3 wheat

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The MINISTER: Yes, the passengers as well.

†Mr J H VAN DER MERWE: Mr Speaker, further arising from the hon Minister's reply, I want to ask him whether we can therefore assume that he is satisfied that all South African aircraft landing in Lusaka, can do so safely at the moment.

†The MINISTER: Yes, under the circumstances and at the times that they land there it is safe.

Group Areas Act

*15. Mr J J S PRINSLOO asked the Minister of Constitutional Development and Planning:†

(1) Whether his Department has already taken action against persons occupying premises in the White residential areas of Mayfair and Hillbrow in violation of the provisions of the Group Areas Act, No 36 of 1966; if so, (a) what action, (b) when, (c) against how many persons and (d) with what result; if not,

(2) whether his Department intends taking action against such persons; if not, why not; if so, (a) what action and (b) when;

(3) whether he will make a statement on the matter?

†The DEPUTY MINISTER OF CONSTITUTIONAL PLANNING:

(1) Yes.

(a) Complaints in respect of alleged contraventions are referred to the South African Police for investigation.

(b) On a continuous basis as and when complaints are received.

(c) The total number of persons involved in complaints and investigations are unknown and indeterminate.

(d) According to the South African Police vacations take place as a result of investigations.

HQA

Minister's reply, I want to repeat that the investigation by the Johannesburg City Council revealed the figures which I mentioned, namely about 20 000 in Hillbrow and, if I remember correctly, about 7 000 people in Mayfair. With reference to these approximately 30 000 people, is the hon the Deputy Minister aware of the fact that so many people occupy properties there, in contravention of the Group Areas Act?

†The DEPUTY MINISTER: Mr Speaker, it is clearly a facet of the Department's activities which does not fall exactly under my control. Therefore this question could be better answered by the hon the Deputy Minister who works with that aspect or by the hon the Minister himself. They are at the moment busy in one of the other Houses with the debate on a Budget Vote, and therefore they can unfortunately not be here this afternoon. I would therefore appreciate it if the hon member would have his questions placed on the Question Paper.

†Mr J H VAN DER MERWE: We are laughing at you! [Interjections.]

†Mr SPEAKER: Order!

Damage to wheat

*17. Mr D G H NOLTE asked the Minister of Agriculture:†

(1) (a) What is the (i) extent and (ii) amount of the damage caused to wheat in the area adjoining the Rietvllei Nature Reserve by the quelea finch plague during the period 1 October to 31 December 1986, (b) what is the (i) location and (ii) extent of the area in which this plague occurred and (c) where are the main breeding and sleeping places of these quelea finches found;

(2) whether his Department has taken any measures to combat the quelea finch plague; if so, what measures?

†The DEPUTY MINISTER OF AGRICULTURE:

(1) (a) (i) and (ii) Unknown and cannot be determined;

(b) (i) Transvaal, Northern Free State, Northern Natal,

Northern Cape and the irrigation areas along the Orange and Fish Rivers where small grain is produced.

(ii) approximately one third of the area of the Republic.

(c) in plantations and natural woods and bushes along rivers, pans, marshes and swamps in the areas referred to in (b) (i).

(2) Yes, concentrations of quelea finches are when practically possible sprayed from aircraft only with the approval of the land users on whose land the finches sleep. The cost is borne by the State.

Farmers' fuel refund

*18. Mr D G H NOLTE asked the Minister of Finance:†

(1) What is the prescribed procedure for claiming back the refund that farmers are allowed on fuel;

(2) whether discussions are at present being held with the South African Agricultural Union on the simplification of this procedure; if so, what progress has been made so far?

†The DEPUTY MINISTER OF FINANCE (Mr K D S Durr):

(1) Briefly the procedure is that farmers must register with the Office of the Commissioner for Customs and Excise, Pretoria. For this purpose registration forms are available at all Customs and Excise and Magistrate's offices. On receipt of a farmer's application a registration number is allocated to him and a claim form together with an information pamphlet is posted to him for his first claim which should be based on use. Invoices in respect of distillate fuel purchased during a preceding month should be forwarded together with the completed claim form to the Commissioner. On receipt of the claim it is checked and if found in order, a cheque together with a claim

Howard 25/8/87

Mr Howard 25/8/87

Mr Howard 25/8/87

Bread price increase announced

PRETORIA — The price of standard bread would be increased by 5c a loaf for white and 7c a loaf for brown bread from October 1, the Director-General of the Department of Agricultural Economics and Marketing, Dr D W Immelman, announced in Pretoria today.

He told a Press conference that white and brown bread would then cost 81c and 63c a loaf, respectively, which represented a rise of 6,6% for white and 12,5%

for brown bread.

He said the Government decided on these increases following the rise in the producers' price of wheat.

The increases would cause hardship among people whose budgets were already stretched to the limit, the president of the Housewives' League, Mr Lyn Morris, said today. She said it had become necessary "to look at the whole scenario of administered prices."



3 WHEAT EPOST 25/9/87

Producer price increase for barley and oats approved

WHEAT

Daily Dispatch Reporter

EAST LONDON — The producer price increase for barley and oats during the 1987/1988 season had been approved by the Ministry of Agriculture, the chairman of the Wheat Board, Mr C. D. Cillie, said in a statement yesterday.

The basic producer price of M1 barley (malting barley), delivered in bulk, will increase by 9,5 per cent to R330 a ton.

The general manager of the Wheat Board, Mr

Dennis van Aarde, said there was a direct relationship between the price of barley and the price of wheat.

This was largely because they were produced in the same areas and as a result were affected by the same conditions.

The price relation of barley to wheat was approximately 83 per cent of the wheat price.

The board had found that an annual price increase of this nature served to control production and prevent

either a surplus or shortage of barley.

Mr Cillie said a levy of five rand a ton would be collected from producers of M1 barley to supplement the barley reserve fund.

This fund had been established to allow for possible losses caused by damage to malt barley during storage, as it was "sensitive".

The producer price of grade 1 oats delivered in bulk for sale to the Wheat Board remained unchanged at R200 a ton, Mr Cillie said.

WHEAT imports are not expected for the 1987/88 season as SA's wheat crop will be large enough to meet domestic needs.

A field report by the US Agriculture Department's officer in Pretoria said SA's wheat crop this year was forecast at 2,37-million tons, up from 2,2-million estimated earlier and the 2,321-million last year.

Water quota restrictions along the Vaal River System, applied since 1984, had been lifted and farmers would be able to use their full irrigation quota again. This would mean additional summer wheat plantings.

The report, dated October 5, also said the Wheat Board had refused to accept the 32 400 tons of wheat imported from Canada during September.

About 29 000 tons were still on board ship in Durban while a decision on the fate of the consignment was awaited, it said.

The shipment was found to be contaminated with a toxic fungus known as "claviceps", the report said.

It said SA's maize crop was now forecast at 8,5-million tons, down from 9-million esti-

3WITAT
B/Day 19/10/87

SA to produce enough wheat

MICK COLLINS

mated earlier but still well above the 7,4-million tons produced last year.

While rainfall had been favourable and allowed farmers to prepare their fields earlier than normal, the production forecast was revised downward because of government efforts to cut excess production and farm support outlays.

Another reason for the expected smaller

maize crop was a scheme to encourage farmers to place land unsuitable for crop production under extensive paid pasturage. The programme became effective on October 1 1987.

The additional grazing is expected to dampen the long-term demand for maize to feed cattle, sheep and goats, it said.

Total maize exports in the 1988/89 marketing season (May/April) are forecast at 1,8-million tons, down from the 2,3-million seen earlier.

Wheat Board acts
on affected import

SA 12/11/87
3 WHEAT

The Wheat Board has instituted legal proceedings to recover the loss of between R1 million and R2 million it will suffer by exporting a consignment of imported contaminated Canadian wheat to three African countries.

The consignment was condemned in September by the Department of Health because of toxic fungi contamination and has been held in bond in Durban harbour since

then. Wheat Board general manager, Mr Dennis van Aarde, said they aim to recover its losses from the local company that imported the wheat on a tender from the board.

However, the wheat was safe for human consumption and the three countries, who could not be named before the deal was concluded, were aware of the contamination, he said. — Agriculture Correspondent.

MAGUS 17/11/87

30 Heat
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Bumper year for Cape grain farmers

By MAGGIE ROWLEY

CAPE wheat and barley farmers are heading for a bumper year with record yields being reported by co-operatives.

Farmers can expect to make a handsome profit for the first time in many years, says Mr J J Engelbrecht, general manager of the Moorreesburg Co-operative

"And not only are the farmers happy but the townfolk in the farming communities are looking forward to reaping the benefits of the excellent crops.

OUTSTANDING QUALITY

"Small towns are very dependent on the farmers for their livelihood. When the farmers have a bad year, it means a bad year for them too. So now everyone is smiling," he said.

Mr Engelbrecht said that already a record 169 000 tons had been collected at the co-operative which serves a large area stretching to Piketburg, Sandveld and Darling.

"Many farmers are still busy and we are expecting a further 20 000 tons to be bought in," he said.

Not only had the yield exceeded last year's 163 000 tons by 6 000 tons already but the quality of the crop was outstanding.

"About 95 percent of it is super or first grade," he said. It was no longer cheap to farm wheat, he added.

"Last year we lost about 20 000 tons through disease and pests so this year farmers had to plough millions of rands into crop spraying. And it has paid off," he said.

At nearby Porterville, record yields have also been harvested.

Mr Nico Human, general manager of the Porterville Agricultural Co-operative, said that 110 000 tons had been bought in so far and the co-op expected to receive a total of 130 000 tons this year — up 15 000 tons on last year.

"The yield is definitely a record and about 95 percent is super and A grade quality. So we are very happy indeed."

He too believed there would be spin-offs from the good crops for the towns falling un-

der the co-op's area, including Ceres.

Mr Ben Koegelenberg, silo manager for the Western Province Co-operative in Vredenburg, said farmers in the area had already delivered 16 000 tons of wheat and more was expected.

"Last year the area produced a record 18 000 tons and if the weather holds for another week or two we are almost certain to exceed this.

"In addition, the quality of the crop is outstanding with more than 75 percent being super grade and the rest grade 1.

Mr Koegelenberg said the farmers were "in the sky" over the good harvest.

The Caledon-Riviersonderend Co-operative, which produced 50 000 tons of wheat last year, is also expecting a record harvest of barley and wheat.

"We have just started with the wheat crop now and have already received nine tons. We are expecting up to 60 000 tons which seems very possible as long as the weather holds for another week or two," said Mr C A Kruger, assistant manager.

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Record wheat crop

25/11/87
3 wheat
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GERALD REILLY

WHEAT farmers have grown a huge 2,83-million-ton crop which will earn them a record R1,1bn, Wheat Board GM Dennis van Aarde said yesterday.

This will leave a 500 000-ton surplus — 5,5 months supply — which the board is confident it can accommodate without having to export abroad at a big loss.

Van Aarde said efforts would be made to sell wheat and wheaten products to neighbouring countries at subsidised prices.

He said: "It's a great crop and we can handle it. But, if we reap another crop of this size next year, we'll have a problem."

Biggest contributor to the record crop was the Free State, where more than 1,4-million tons was harvested — almost 500 000 tons more than last year.

Losses on wheat exports to over-supplied world markets would amount to R250 a ton — entailing a heavy drain on the board's stabilisation fund.

Van Aarde said maize farmers who switched to wheat production because of low domestic maize prices could have influenced the size of the crop in the Free State.

With world markets flooded with grain, SA grain producers dread further successful seasons.

Maize farmers fear they will reap 12-million tons — 7-million tons more than is needed for domestic consumption — this season if weather conditions remain favourable.

WHEAT. - 1988

The image shows a large grid of graph paper. The grid consists of approximately 15 columns and 15 rows of small squares. A vertical margin line is present on the right side of the grid. The grid is mostly empty, with some very faint, illegible markings or bleed-through from the reverse side of the page.

Wheat Board loses R126m

PRETORIA — Disposing of last season's wheat surplus has cost the Wheat Board's once lush reserve fund a huge R126m.

The losses were suffered on the sale of 350 000 tons on the local, over-supplied, animal-feed market and about 200 000 tons on depressed world markets.

And, board GM Dennis van Aarde said, if the estimate of the big crop now in the ground — 3,25-million tons — was accurate, there would be another unwieldy surplus of about 600 000 tons.

Van Aarde said the board's reserve fund was at a rock-bottom R50m and could not be bled further to meet any losses on the sale of surpluses in the coming season.

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"This is why producer prices for the crop due to be harvested before the year's end will be substantially less than the current R395 a ton."

Other sources said the price cut could be big enough to justify a decrease in the price of wheat products next year, or to prevent an early series of price hikes.

The agricultural industry's debt mountain is likely to rise to even greater heights by the end of the year.

Volkskas economist Andre Louw said farmers' total debt last year amounted to R14,21bn.

This was expected to soar above R15m by December. 2/9/88

3 WHEAT

B/day 20/9/88

Wheat crop is likely to be far too good

PRETORIA — Estimates of the country's wheat crop get bigger and bigger — and so do the potential losses on exporting the surplus.

Wheat Board GM Dennis van Aarde said the latest crop estimate was 3,386-million tons, and after the widespread rains in Free State growing areas, this could easily rise to 3,5-million tons.

This would leave an exportable surplus of more than 800 000 tons.

Efforts would be made to sell a maxi-

GERALD REILLY

mum on the highly competitive local animal-feed market.

However, the balance would have to be exported at a loss which was likely to exceed R120m.

Van Aarde pointed out that SA's export markets were severely limited.

Most wheat-buying countries — among them Denmark, Sweden, Switzerland, Japan and Finland — bought

from the US and Canada for reciprocal trade and other reasons.

On the big loss involved, Van Aarde said the board could not afford to meet the loss.

Farmers would pay through production levies which would be built into the new season's price.

The board meets on October 3 to decide on a price recommendation.

It is certain to be substantially lower than the current price of R394 a ton.

Soviet drought is good news for SA

23/9/85
PRETORIA — The drought in Soviet grain-producing areas is good news for SA farmers, say Wheat Board sources.

It means export losses on maize and wheat surpluses could be reduced.

Estimates of the Soviet wheat crop

23/9/85
GERALD REILLY (Ed)
are as low as 185-million tons, which means to satisfy the domestic demand, 35-million tons will have to be imported. With Canada's expected low harvest, world prices could well harden.

Bread price up on Monday

PRETORIA — The bread price would be increased from Monday — white by 4c a loaf (4.9% increase) and brown by 6c (9.5%), Agriculture Minister Greyling Wentzel said yesterday.

He said the R100m bread subsidy provided for in the Budget had run out and had been supplemented by an additional R52m — R32m from government, R10m from the Wheat Board and R5m each from the baking and milling industries.

Cabinet had approved a phasing out of the bread subsidy to zero over the next three financial years.

A postponement of the increases until

5/18/88
~~3/18/88~~
GERALD REILLY *Wentzel*

October had been considered. But that had been impossible because of cost increases in the baking and milling industries which had meant bread had been selling at a price far below cost.

A special committee would be appointed to work out the mechanics and to ensure a minimum-hardship impact on consumers.

Wentzel also said a national food strategy committee had been appointed to plan the future food needs of southern Africa.

Wheat

Groups slam bread price rise

By Tim Cohen

Consumer groups have strongly criticised the increase in the bread price, announced by Agriculture Minister Mr Greyling Wentzel yesterday.

From Monday consumers will pay 85c for a loaf of white bread (previously 81c) and 69c for brown bread (previously 63c).

The Government has added R32 million to its budgeted R100-million subsidy, and although no final decision has been taken, consumer groups are convinced the Government intends to do away with the subsidy within the next two years.

Mr Sergio Martinengo, deputy group managing director of Checkers, opposed the increase and any plan to phase out the subsidy.

He said most South Africans were depending on the Government subsidy to keep the price within reach.

Mr Raymond Murray, the national perishables co-ordinator for Pick 'n Pay, said the increase was a serious blow to consumers. He said his company would freeze prices at least until the end of the month.

Mrs Lyn Morris, national president of the Housewives League, said the league was not against the phasing out of subsidies, but would like the Government to add the amount taken away from subsidies to its job-creation funds.

The Consumer Union noted the "relatively small" rise.

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US drought *Start 13/7/82* no help for SA wheat ~~farmers~~ farmers ^{③ wheat}

Own Correspondent

CAPE TOWN — South Africa's Wheat Board chairman has brought little joy back from a meeting in London of the Wheat Council.

Mr Denis van Aarde said yesterday there was little hope that the extensive drought in the US, which is hitting wheat crops there, could bring relief for South African farmers facing a severe cut when the wheat price is set later this year.

This could be particularly serious for Western Cape farmers being squeezed by competition from farmers in traditional maize growing areas who have switched to wheat.

South Africa's wheat surplus could be at least one million tons this season. If this occurs prices would be cut sharply.

Mr van Aarde said higher world wheat prices - which had risen by about 20 percent in recent weeks as a result of the US drought — would not hold.

VAST STOCKS

The US Central Commodities Corporation (CCC) had vast stocks which it could dispose of, holding world prices down, and the Russian and Chinese crops were expected to be good and this would dampen demand.

The CCC also used its stockpile to help US producers "discount" wheat. An export enhancement programme offers buyers the incentive of "free" wheat from CCC stocks when buying from an American producer at the ruling price.

"The long-term effect will probably be a flattening out of prices and although they may finally be slightly higher, there is not going to be a world shortage which could help us market our surplus economically," he said.

Any exports by South Africa to help dispose of the surplus would be at a loss.

The wheat crop is presently forecast at about 3,4 million tons, against domestic demand of about 2,4 million tons.

Figures show the urban-rural divide ^{24-30/6/87 W/M} ^{Wheat}

URBAN black South Africans consume twice as much bread as their poorer rural counterparts, reflecting the high cost of bread compared with other staples such as maize meal.

Latest Wheat Board statistics show urban blacks consume an average 56kg of bread a year, while the rural average is 28kg. Whites, by contrast, consume an annual average 65kg.

Blacks eking out an existence in poverty-stricken rural areas eat less bread and more maize-meal, which has far less nutritional value.

According to statistics compiled by the National Research Institute for Nutritional Diseases, two essential vi-

By KIM CLOETE

tamins — nicotonic acid and riboflavin — are far more prominent in bread than in maize.

And while 55mg of calcium is loaded into every 100 grams of brown bread and 50mg into white, this essential nutrient is completely lacking in cooked maize-meal.

Black consumers account for 72 percent of total bread sales. A massive 1 750 million loaves of bread are produced every year, according to the Wheat Board.

Despite the variety of breads and rolls on sale at the average suburban su-

permarket, the vast majority of South Africans still eat "government" bread — and they prefer it to be white.

Those who buy health, wholewheat, rye and special breads are a minority, but one prepared to pay a lot more than the price of a government loaf.

Almost all South African bread — 96,4 percent of it — is government subsidised.

"The subsidy is structured on a fixed profit margin which is calculated by the industry together with the Department of Agriculture and the Wheat Board, taking into account production costs," says Wheat Board general manager Dennis van Aarde.

Albany Bakeries, Tiger Oats, Premier Milling, Sasko and Bokomo are the main producers of subsidised bread, but over 400 bakeries manufacture government bread.

Although the vast majority of consumers still buy government loaves, there's a small but growing market for "special" and protein-enriched breads. The price customers pay ranges from R1,20 to R3 a loaf.

Government bread now costs 61 cents for a brown loaf and 79 cents for white, prices which have risen steadily with inflation. But while poor consumers have suffered as

●To PAGE 26

The poorest eat less bread

bread prices have risen, the more affluent seem unconcerned.

"The trend among more up-market customers to go for special, high-protein and super breads is part of the move towards healthy living," says the managing director of Checkers, Clive Weil.

"Special bread" eaters form a very small percentage of the population, with only 1,5 percent of the population buying special breads — usually unconventionally shaped and not baked in a tin — and 2,1 percent buying bread with added protein.

Of the total quantity of wheat manufactured, 61 percent of it is used for subsidised bread, 1,4 percent for super and high-protein bread and 0,9 percent for special bread, Van Aarde says. The balance goes to flour sales and biscuit production.

●From PAGE 25

Wheat gluten, the added protein in high-protein breads, is becoming harder to get. "It is very expensive as it has to be imported from the United Kingdom and Australia," says Van Aarde.

And whatever the habits of the limited number of consumers who eat healthy brown bread, it's clear most of the population prefer white bread if they can afford it.

There has been a marked swing towards white bread sales, Van Aarde says. It's a trend he finds puzzling: the economy has not improved to such an extent that people should be splashing out on the more expensive government loaf.

24/30/6/88 ^{W/M} ^{Wheat}

Western Cape farmers most at risk

Wheat crisis looms because of big surplus

3 wheat
Dec 20/6/88

Own Correspondent

CAPE TOWN — The South African wheat industry is facing a crisis caused by over-production and Western Cape farmers would be the most seriously affected.

An increasing switch to wheat production in traditional maize growing areas has led to mounting surpluses which could be one million tons for the season, possibly forcing prices as low as R300 a ton from last season's R395 a ton.

This would hit farmers in the Western Cape heavily. Yields in this region are between two to 2,5 tons a hectare, compared to five to six in good growing regions in the Free State and Transvaal.

Supply and demand

"If there are surpluses it would give us all sorts of problems," said Mr Gert Bosch, general manager of the Western Cape Agricultural Union. "The price the Wheat Board sets is determined by supply and demand, and if there is a surplus this year the price would have to come down."

Mr Denis van Aarde, general manager of the Wheat Board, said with higher yields, farmers in the better regions could stay in business even at much lower prices. "But I'm afraid that the prices we expect this season could marginalise many of our farmers in the Western Cape."

The crunch would come in November when the Wheat Board set prices for the 1988/89 season.

"At this stage we expect a surplus of about one million tons and as each crop has to support itself prices would have to drop heavily.

"Based on current figures the wheat price will have to come below R330 a ton, it may even be around R300 a ton.

"There will be a tremendous loss," he said.

South Africa's domestic demand for wheat is about 2,4 million tons. Production in the 1987/88 season was about three million tons, a surplus of about 550 000 tons.

The Wheat Board lost about R120 million by having to sell the surplus on the over-supplied world market or as livestock feed in South Africa.

"The surplus this year could rise to one million tons which will give us tremendous problems," said Mr van Aarde.

Farmers in the Western Cape, traditionally South Africa's "bread basket", are unhappy about the competition because, unlike farmers in other areas, they have no alternative crop they could switch to.

One reason for the switch from maize to wheat is that the wheat price has been higher.

Indicating the growth of wheat production are figures from the Central Western Co-operative which last year sold 110 000 pockets of wheat seed. This year sales doubled to 220 000 pockets.

Alternative service changes proposed

DIANNA GAMES

THE End Conscription Campaign (ECC) remained committed to an end to conscription, although interim goals included changing the terms of alternative service, ECC spokesman Alistair Teeling-Smith said.

Among proposals the ECC put forward at last week's meeting with the SADF were suggestions for such changes.

PRETORIA

— SA wheat farmers expect to benefit substantially from the up-

surge in grain prices on international markets, following the devastating drought in the US's Midwest grain belt.

Wheat Board GM Dennis van Aarde said international wheat prices had surged 23% since the beginning of June.

He said SA could have a surplus of a million tons this year if

US drought helps SA wheat farmers

GERALD REILLY

the weather was favourable.

Many maize farmers have switched to wheat production, leading in places to a shortage of seed. A record crop of about 3,5-million tons is possible, which would leave a million tons for export.

WHEAT

Finance Deputy Minister, K...
the National Assembly

Mcqs 17/6/88

3/6/88

Western Cape wheat farmers face surplus crisis

By DICK USHER
Staff Reporter

THE South African wheat industry is facing an over-production crisis — and Western Cape farmers would be the most seriously affected.

An increasing switch to wheat production in traditional maize growing areas is leading to a surplus which could be 1-million tons for the season, possibly forcing prices as low as R300 a ton from last season's R395 a ton.

This would hit farmers in the Western Cape heavily. Yields

in this region are between two and 2.5 tons a hectare, compared to five to six in good growing regions in the Free State and Transvaal.

"If there are surpluses it would give us all sorts of problems," said Mr Gert Bosch, general manager of the Western Cape Agricultural Union.

"The price the Wheat Board sets is determined by supply and demand and if there is a surplus this year the price would have to come down."

Mr Denis van Aarde, general manager of the Wheat Board,

said that with higher yields farmers in the better regions could stay in business even at much lower prices.

"But I'm afraid that the prices we expect this season could marginalise many farmers in the Western Cape."

He said the crunch would come in November when the Wheat Board set prices for the 1988/89 season.

"At this stage we expect a surplus of about 1-million tons and as each crop has to support itself prices would have to drop heavily."

"Based on current figures the wheat price will have to come below R330 a ton, it may even be around R300 a ton."

"There will be a tremendous loss," he said.

South Africa's domestic demand for wheat is about 2.4-million tons. Production in the 1987/88 season was about 3-million tons.

The Wheat Board lost about R120-million by having to sell the surplus on the over-supplied world market or as live stock feed in South Africa.

Farmers in the Western

Cape, traditionally South Africa's "bread basket", are unhappy about the competition because, unlike farmers in other areas, they have no alternative crop to which they could switch.

One reason for the switch from maize to wheat is that the wheat-price has been higher.

Indicating the growth of wheat production are figures from the Central Western Co-operative which last year sold 110 000 pockets of wheat seed. This year sales doubled to 220 000 pockets.

R110m loss on wheat sales ^{DID 2015/88} ₃ ^{next}

The Wheat Board has sold the 540 000 ton surplus from this season's record crop of 3m tons at a heavy loss.

Producers' gross income from the big crop is estimated at more than R1 bn, based on a price of R390 a ton.

General manager of the board, Mr Dennis van Aarde, said on the 200 000 tons exported the loss would be around R50m, and on the 300 000 tons sold on the local stock feed market about R60m.

The losses would be met from the board's stabilisation fund.

The board agreed to accept a big

loss, about R250 a ton, exporting the 200 000 tons to heavily over supplied world markets to avoid disruptive dumping on the local stock feed market.

Large quantities of surplus maize and grain sorghum are also being marketed as stock feed.

Mr Van Aarde said the coming season's price would be crop-size related and announced at the end of October.

Because of the expected heavy plantings the price was likely to be substantially lower than the current R390 a ton. Depending on the crop estimate it could be as low as R328 a ton.



MR VAN AARDE

3/10/88
WHEAT

Huge wheat surplus sold at R110m loss

GERALD REILLY

PRETORIA — The Wheat Board has sold the large 540 000-ton surplus from this season's record crop of 3-million tons — but at a heavy loss.

Producers' gross income from the crop is estimated at more than R1bn based on a R390/ton price.

Board GM Dennis van Aarde said on the 200 000 tons exported

the loss would be around R50m, and on the 300 000 tons sold on the local stock feed market about R60m.

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the 200 000 tons to oversupplied world markets to avoid dumping on the local stock feed market.

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Because of the expected heavy plantings the price was likely to be substantially lower than the current R390/ton.

D10 20/4/88 (3) wheat

Big crop means big losses

JOHANNESBURG — This year's huge wheat crop of more than 3 million tons will mean a dramatic decrease in the producer price.

And the 550 000 surplus will result in export losses, and losses on the local feed grain market, exceeding R100 million.

The Wheat Board's deputy general manager, Mr Andries Liebenberg, said the cur-

rent wheat price of R395 a ton could be decreased to less than R330 a ton depending on the final crop size.

The local feed grain market, he said, was saturated with maize and grain sorghum and prices would be below producer production costs.

Overseas markets, too, were still heavily oversupplied and prices for the 130 000 tons ex-

pected to be exported would be rockbottom.

Mr Liebenberg said the loss on the 550 000 tons surplus would be met from the board's reserve fund which at the end of the season in September was expected to amount to about R180 million.

"It is clear then that another big crop next season could exhaust our reserves," he added.
— DDC

Huge wheat crop will lower prices

By Gerald Reilly

3 WHEAT

PRETORIA — This year's huge wheat crop of more than 3m tons will mean a dramatic decrease in the producer price.

And the 550 000-ton surplus will result in export losses and losses on the local feed grain market exceeding R100m.

Wheat board deputy GM Andries Liebenberg said the current wheat price of R395 a ton could be decreased to less than R330 a ton depending on the final crop size.

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Overseas markets, too, were heavily over-supplied and prices for the 130 000 tons expected to be exported would be rock bottom.

HOUSE OF ASSEMBLY

†Indicates translated version.

For written reply:

General Affairs:

Strikes involving Blacks

18. Mr P G SOAL asked the Minister of Manpower:

(a) How many strikes involving Black workers occurred in 1987, (b) in how many cases did the strikes arise out of wage demands and (c) what were the main causes of the remainder of the strikes?

The MINISTER OF MANPOWER:

- | | | |
|-----|-----------------------|-----|
| (a) | 1 128 | |
| (b) | 461 | |
| (c) | Working conditions | 174 |
| | Disciplinary measures | 147 |
| | Various other reasons | 346 |

Note: The figures furnished under (a), (b) and (c) are for strikes and workstoppages for all population groups, as separate figures are not kept. In 20 instances out of a total of 1 148 strikes and workstoppages Blacks were not involved.

Trade unions: applications for registrations

28. Mr P G SOAL asked the Minister of Manpower:

How many trade unions applied between 1 January and 31 December 1987 for registration in respect of (a) Black employees only, (b) White employees only, (c) Coloured employees only and (d) employees of more than one population group?

The MINISTER OF MANPOWER:

- | | |
|-----|---|
| (a) | 2 |
| (b) | 0 |
| (c) | 1 |
| (d) | 8 |

Subsidies: amount paid out

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

What amount was paid out in subsidies in respect of (a) bread, (b) maize and (c) butter for consumer use in the 1986-87 financial year?

The MINISTER OF AGRICULTURE:

- | | |
|-----|--------------|
| (a) | R147 million |
| (b) | R120 million |
| (c) | Nil |

The said payments were made under Vote 18: Programme 6: Agriculture Economics and Marketing.

Milk/industrial milk: producer's price/price increases

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

(a) What was the producer's price of (i) milk and (ii) industrial milk as at 1 June 1987 and (b) what price increases have come into effect in respect of each category since that date?

The MINISTER OF AGRICULTURE:

(a) (i) On 1 June 1987 minimum producer's prices only were in force in the Dairy Board's controlled areas and the minimum prices which distributors had to pay for fresh milk were as follows:
 Bloemfontein area 47,43 c/litre
 Cape Peninsula area 50,85 c/litre
 Transvaal area 48,72 c/litre
 Natal area 48,54 c/litre

(ii) In respect of industrial milk minimum prices only were in force on 1 June 1987 and the minimum prices for the various classes of industrial milk were as follows:

Class A+	— 450c X% butterfat + 674c X% protein per kg
Class A	— 450c X% butterfat + 387c X% protein per kg
Class B	— 450c X% butterfat + 358c X% protein per kg
Class C	— 450c X% butterfat + 324c X% protein per kg

(b) None

Nasella trichotoma: approximate area in RSA infested

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

Wheat riddled with poison

(3 wheat)

28/3/82
Sp...

A shipload of Canadian wheat — enough to bake 60 million loaves of bread — that reached South Africa last year contained the feared ergot toxin, which causes convulsions, miscarriages and atrophy of limbs.

The poison, unknown in South African-grown wheat, is a dangerous mycotoxin which triggered some of the great mediaeval epidemics and "dance manias" of Europe, when peasants danced non-stop for days and died from heart attacks, renal failure, convulsions and exhaustion.

"St. Anthony's Fire", as it was also known, caused epidemics in Britain as recently as 1925.

The case of the poisoned wheat — 30 000 tons of it — is now the centre of litigation in which the Wheat Board is suing the local agents of the Canadian wheat-sellers for millions of rands, and the agents are trying to recoup damages from the Canadians.

NO POISON

The Wheat Board alleges that an introductory sample of the wheat, sent from Canada to Pretoria, showed no signs of the dangerous poison but that the subsequent shipload was riddled with it.

At first, officials considered destroying the entire consignment, worth R11,85 million at local prices, fearing that even if sold as inferior cattle feed it might have spread the fungus disease *Claviceps purpurea* through its spores across South Africa's vast wheatfields.

"For these reasons South Africa's health regulations do not tolerate any ergot whatsoever in wheat and wheat products," said Mr Louis van Staden, assistant general manager of the Wheat Board.

"Our loss therefore ran into millions, even though we sold the cargo to other African countries.

"But we might come to litigation or otherwise to a settlement in which the Canadians would be involved as well."

(A) Durban Wings Club, Posbus 20088, Durban-Noord, 4016. (B) Durban Wings Club. (C) Nie-vasgestelde lugvervoerdienlisensie N609. Onder "Lugvaartuie wat gebruik gaan word" en "Tariefskaal skrag huidige en voeg by:

"Lugvaartuig"	Tarief (R/luur)	
	Enkel-stuur	Dubbel-stuur
Cessna 152 ZS-KXN en ZS-KDY	115	140
Cessna A150K ZS-FXH	115	140
Piper PA38-112 ZS-KKO	115	140
Grumman American Aviation AA-1B ZS-IXG	85	120
Cessna 172HZS-ETK	125	160
Cessna 172KZS-IFK	130	165
Fournier RF58 Sperber ZS-KUJ	145	180
Reims Cessna FR172J ZS-JPZ	135	170
Cessna 210N ZS-LMO	215	250
Piper PA-28R-201 ZS-KYV	155	190
Beech 76 Dutchess ZS-KHG	220	260."

(A) Eastern Airlines (Edms.) Bpk., St Georgestraat 98, Durban, 4001. (B) Eastern Airlines. (C) Vasgestelde lugvervoerdienlisensie S219. Onder "Naam waaronder die diens geëksploteer gaan word" skrap: "Eastern Airlines" en voeg by: "Citi Air". Onder "Roetes wat bedien gaan word", "Frekwensie waarvolgens die diens geëksploteer gaan word" en "Tariefskaal" voeg by:

"Sektor"	Frekwensie Retoer-vlugte per week)	Tarief (R)
		Enkel
Durban na:		
* Maputo	Tot 3	245
Nelspruit	Maks 5	190

* Spesiale voorwaarde: Durban—Maputo onderhewig aan die voorwaarde dat die magtiging om hierdie roete te bedryf outomaties sal verval indien 'n sekere ooreenkoms tussen Suid-Afrikaanse Lugdiens en die aansoeker opgesê word."

[Hierdie aansoek moet saam met 'n soortgelyke aansoek in die naam van Citi Air (Edms.) Bpk., gelees word].

RAADSKENNISGEWINGS

**RAADSKENNISGEWING 14 VAN 1988
KORINGRAAD**

WINTERGRAANSKEMA.—REGERINGSUBSIDIE

Hierby word ingevolge die bepalings van artikel 60B (3) van die Bemerkingswet, 1968 (No. 59 van 1968), vir algemene inligting bekendgemaak dat die Koringraad, genoem in artikel 6 (1) van die Wintergraanskema, afgekondig by Proklamasie R. 162 van 1974, soos gewysig, subsidie betaal op—

(1) witbrood, bruinbrood en volkoringbrood om die koste van genoemde produkte vir die verbruiker te subsidieer; en

(2) bruinbroodmeel en volkoringmeel in verpakings van 5 kg en kleiner om die koste van genoemde produkte vir huishoudelike gebruik te subsidieer en nie om die koste van genoemde klasse meel vir die vervaardiger van produkte vir die handel te subsidieer nie.

Die bogenoemde klasse brood en meel is omskryf in Goewermmentskennisgewing R. 1981 van 30 September 1977, soos gewysig.

D. F. VAN AARDE,
Hoofbestuurder, Koringraad.
(25 Maart 1988)

(A) Durban Wings Club, P.O. Box 20088, Durban North, 4016. (B) Durban Wings Club. (C) Non-scheduled Air Transport Service Licence N609. Under "Aircraft to be used" and "Tariff of charges" delete existing and add:

"Aircraft"	Tariff (R/hour)	
	Solo	Dual
Cessna 152 ZS-KXN and ZS-KDY	115	140
Cessna A150K ZS-FXH	115	140
Piper PA38-112 ZS-KKO	115	140
Grumman American Aviation AA-1B ZS-IXG	85	120
Cessna 172H ZS-ETK	125	160
Cessna 172K ZS-IFK	130	165
Fournier RF58 Sperber ZS-KUJ	145	180
Reims Cessna FR172J ZS-JPZ	135	170
Cessna 210N ZS-LMO	215	250
Piper PA-28R-201 ZS-KYV	155	190
Beech 76 Dutchess ZS-KHG	220	260."

(A) Eastern Airlines (Pty) Ltd, 98 St Georges Street, Durban, 4001. (B) Eastern Airlines. (C) Scheduled Air Transport Service Licence S219. Under "Name under which the service will be operated" delete: "Eastern Airlines" and add "Citi Air". Under "Routes to be flown", "Frequency to which the service will be operated" and "Tariff of charges" add:

"Sektor"	Frequency (Return flights per week)	Tariff (R)
		Single
Durban to:		
* Maputo	Up to 3	245
Nelspruit	Max 5	190

* Special condition: Durban—Maputo subject to the condition that the authority to operate this route shall automatically lapse upon termination of a certain agreement between South African Airways and the applicant."

[This application must be read in conjunction with a similar application in the name of Citi Air (Pty) Ltd].

BOARD NOTICES

**BOARD NOTICE 14 OF 1988
WHEAT BOARD**

Wheat

WINTER CEREAL SCHEME.—GOVERNMENT SUBSIDY

In terms of the provisions of section 60B (3) of the Marketing Act, 1968 (No. 59 of 1968), it is hereby made known for general information that the Wheat Board referred to in section 6 (1) of the Winter Cereal Scheme, published by Proclamation R. 162 of 1974, as amended, pays subsidy on—

(1) white bread, brown bread and whole-wheat bread to subsidise the cost of these products to the consumer; and

(2) brown bread meal and whole-wheat meal in packings of 5 kg and smaller to subsidise the cost of the aforementioned products to the consumer and not to subsidise the cost of these products to the manufacturer of commodities for the trade.

The above-mentioned classes of bread and meal are defined in Government Notice R. 1981 of 30 September 1977, as amended.

D. F. VAN AARDE,
General Manager, Wheat Board.
(25 March 1988)

school where there was no proper registration and where pupils were allowed to register as they pleased after the date for registration had passed and where a long period of extension had already been granted.

I should like to give the assurance that everything possible was done to enable students who really wanted to study to enrol for this year. One cannot have a proper school functioning properly while continuously allowing students to register in dirbs and drabs after the closing date.

The conclusion I arrive at is that of the approximately 1 300 pupils who made late application on the very last day and of whom only one tenth were admitted, not one really want to study seriously. I say this because most of these applications were based upon falsified or obviously changed documentation in an endeavour to obtain admission to classes to which they were not entitled to be admitted.

I think it would be very useful for these pupils to spend this year earning pocket money to enable themselves to study properly next year and to enrol in time for registration.

Mr K M ANDREW: Mr Speaker, further arising out of the hon the Minister's reply, could he indicate to the House what job opportunities there are in the Cape Peninsula for 13 and 14 year olds who want to earn the money to which he referred? [Interjections.]

The MINISTER: Mr Speaker, I would like to know from the hon member if, because of the lack of job opportunities, he wants students who refuse to comply with the normal disciplinary requirements of a school to be admitted to school just to be kept there. [Interjections.]

Mr K M ANDREW: Mr Speaker, may I have your guidance? Is an hon member allowed to respond to a question from an hon Minister during question time?

Mr SPEAKER: Order! That is for the Chair to decide.

Mr K M ANDREW: I am asking for your guidance, Sir.

Mr SPEAKER: Order! I have given the hon member my guidance on the issue by telling him that that is for the Chair to decide.

Mr K M ANDREW: Mr Speaker, further arising out of the hon the Minister's reply . . .

HOUSE OF ASSEMBLY

Mr SPEAKER: Order! I am sorry, but the hon member has had his opportunity. He was addressing questions to the Chair.

Transfer of pupils at private schools to State schools

*11. Mr K M ANDREW asked the Minister of National Education:

Whether his Department has made an estimate of what the additional cost to the State would have been in the (a) 1986/87 and (b) 1987/88 financial years if all pupils at private schools had transferred to State Schools; if so, what are these estimates in each case?

The MINISTER OF NATIONAL EDUCATION:

Yes. If the required fixed assets are assumed to be available already, the additional cost to the State would have been the following:

- (a) 1986/87 : R65 404 000
- (b) 1987/88 : R85 511 000

Subsidies paid to private schools

*12. Mr K M ANDREW asked the Minister of National Education:

What amount (a) was paid out in subsidies to all private schools in the Republic in the 1986/87 financial year and (b) is it estimated will be so paid out in the 1987/88 financial year?

The MINISTER OF NATIONAL EDUCATION:

In respect of private ordinary schools registered in terms of general education policy, the following total amounts have been allocated:

- (a) 1986/87 : R33 088 000
- (b) 1987/88 : R45 340 000

*13. Mr D J DALLING—Justice. [Reply standing over.]

Bread not conforming to requirements: convictions

*14. Mr R W HARDINGHAM asked the Minister of Agriculture:

Whether any convictions were obtained in 1987 against bakeries and/or retail outlets in connection with the supply of bread not conforming to (a) quality and (b) mass requirements; if so, how many in each case?

Stewart

The MINISTER OF AGRICULTURE:

(a) and (b) No, but in a particular case, the minimum requirements for standard bread are not complied with, the Wheat Board determines an amount according to a fixed formula by which the subsidy to the person or bakery concerned is reduced.

Certain organization: training camp for members

*15. Mr P G SOAL asked the Minister of Law and Order:

- (1) Whether he and/or the South African Police have been informed of (a) the existence of a training camp for members of a certain organization, the name of which has been furnished to the Police for the purpose of the Minister's reply, and (b) the purposes to which this camp is put; if so, what is the name of this organization;
- (2) whether he is taking or intends taking any action against the owners or managers of this camp; if not, why not; if so, (a) what action and (b) when?

The DEPUTY MINISTER OF LAW AND ORDER:

- (1) (a) yes
- (b) To provide training in self-defence, physical fitness and the use of firearms.
The name furnished by the hon member.
- (2) No. As far as can be ascertained, no criminal offences have up until now been committed by these persons.
- (a) and (b) Fall away.

Mr P G SOAL: Mr Speaker, arising out of the hon the Deputy Minister's reply, if it is permissible for the AWB to engage in a training camp of this nature, will he tell us whether it is permissible for other organisations to set up similar training camps?

The DEPUTY MINISTER: Mr Speaker, the point in question was whether any criminal offences had been committed and I indicated that according to the police investigation there had been none.

Mr P G SOAL: Mr Speaker, further arising out of the hon the Deputy Minister's reply to the first part of my question in which he was asked

whether he was aware of the camp and what happened there, may I ask him whether other organisations would be allowed to operate similar camps within South Africa?

The DEPUTY MINISTER: Mr Speaker, if any criminal offences were committed at such a camp, the police would of course take note and act accordingly. In this case, however, there were none, and that was the point in question.

Manager of SAA in Rome: previous positions held

*16. Mr D J N MALCOMESS asked the Minister of Transport Affairs:

With reference to his reply to Question No 18 on 8 March 1988, what positions in the travel-related field did the current manager of the South African Airways in Rome hold prior to his appointment to his present post?

The MINISTER OF THE BUDGET AND WELFARE (for the Minister of Transport Affairs):

- December 1970 – Assistant to Director (Finance and Operation), Grosvenor Car Hire and Touring Limited
- March 1974 – Branch Manager, Grosvenor Tours
- February 1976 – Sales Manager and Marketing Director, Afrtan Adventure Tourism
- March 1979 – International Sales Manager, Marketing Director (International) and Member of Board of Directors, Southern Sun Hotels
- March 1979 – July 1985

Articles taken to detainees by relatives

*17. Mr J VAN ECK asked the Minister of Law and Order:

- (1) Whether relatives of persons detained in terms of section 29(1) of the Internal Security Act, No 74 of 1982, may on their own initiative take articles, or have articles taken, to such detainees; if so, what articles; if not, (a) why not and (b) since what date has this policy been applied;
- (2) whether detainees may on their own initiative ask their relatives for articles that they need; if so, what articles; if not, (a)

HOUSE OF ASSEMBLY

Maize hit as wheat takes over

By Robyn Chalmers

PREMIER Food Industries' R56-million Vereeniging wheat mill opened this week was built primarily to meet growing demand caused by the switch from maize.

Consumption of maize has fallen in the past three or four years because blacks are eating more wheat products.

Maize Board chief economist Johan Willense says consumption of white mealies fell from 3,25-million tons in 1986 to 3,09-million in 1987.

Wheat Board general manager Dennis van Aarde says the amount of wheat milled has increased annually by about 4% since 1984.

However, the increase in consumption of bread fell in 1987 from 4,4% in 1986 to 2,6% in 1987. This was possible because consumers bought more of other wheat products.

Managing director Willem de Kok says Premier decided to build the mill in early 1985.

"Blacks especially are buying more wheat products, partly because of a cultural change, and partly because of uncertainty about fluctuating maize prices."

S/T (3) wheat
13/3/88

A record ^{Sta} wheat crop ^{1987/88} is expected ⁽³⁾ ^{Wheat}

A record wheat harvest of 2 953 million tons is expected this year, the assistant general manager of the Wheat Board, Mr Andries Liebenberg said.

This meant bread grain would not have to be imported, said Mr Liebenberg.

He said the harvest was expected to be 775 000 tons larger than the record harvest of 1982/83. The good harvest could be attributed to the ideal conditions prevailing in the production areas:

Widespread rain over the Western Transvaal and Free State has boosted the morale of drought-stricken farmers who are facing financial ruin. Good showers today — and possible heavy falls in some areas — are expected to allow many maize belt farmers' sun-scorched crops to recover.

The president of the Transvaal Agricultural Union, Mr Dries Bruwer, said in Pretoria that the recent rains could end the drought if they continued for another day and were not followed by another heatwave — the main reason for the failure of this year's harvest.

● The economic and social infrastructures of extensive rural areas were in serious danger after the deterioration in agricultural conditions in large

3 WHEAT

Own Correspondent

BLOEMFONTEIN — Record wheat crops are being harvested in the eastern Free State now that hot sunny weather has taken over from the wet conditions of just over a week ago.

Although about 10 000 tons in the area remained to be harvested, the Senekal Agricultural Co-operative says the present deliveries have already set a record.

About 123 000 tons have already been delivered to the co-operative's silos in the district.

This is 9 000 tons more than the previous year's record of 114 000 tons.

The yield is between 2,5 and 3,5 tons a hectare

Warm weather brings delight to wheat farmers

and the quality is said to be very good.

The value of the crop is about R50 million.

In the Ladybrand area more than half of the expected 120 000 tons has been delivered.

Last year the crop was 60 000 tons and already 68 000 have been delivered to the silos.

An above average, but not a record, crop is expected in the area co-

vered by the Drakensberg Co-operative.

About 180 000 tons are expected compared with 220 000 tons last year.

The estimate for the Reitz area is 220 000 tons, which means records all the way.

In the Ficksburg district, 12 000 of the anticipated 50 000 tons have been delivered.

At Clocolan 20 000 of the expected 30 000 tons have been harvested.

~~GENERAL~~ WHEAT.

1989

Third World money saver

2 wheat

C. Press 12/11/89

NEW, simple and inexpensive technology has been developed for making bread without wheat using tropical roots, tubers and coarse grains.

The process carries the potential for reducing dependence on imported wheat. United Nations Food and Agriculture Organisation specialists say the use of traditional crops in

bread production could have profound implications for developing countries. Although roots and tubers nourish over 1 000 million people in Africa, Asia and Latin America, they have received little recognition because they are not within the experience of many international experts.

It is estimated that each year about 500 million tons of staple roots and tubers are

Simple wheat substitute

harvested worldwide.

Worldwide research for an alternative to wheat bread had been going on for 30 years.

The main problem has been that non-wheat materials have no gluten-forming protein which, through kneading, gives bread its unique texture and flavour.

Only two cereals, wheat and rye, contain it. Several attempts have been made to produce mixed flour breads using a minimum of 70 percent wheat flour combined with non-wheat ingredients.

Says the FAO: "This technology has never taken firm hold in tropical developing countries chiefly because imported wheat is cheaper than indigenous crops. Thus, composite flour breads are not economical to produce. Over the years,

traditional staples have been rejected in developing countries as they did not make an attractive, long-lasting bread."

The FAO has started discussions with countries such as Nigeria, Sudan and Cuba on the possibility of making better use of local crops.

Wheat imports have contributed to the drain of foreign exchange reserves.

In Kinshasa, for example, bread has virtually replaced the traditional starchy staple of "shikwanga" made from cassava.

Wheat accounts for nearly three-quarters of all grain imports, mainly because of its low cost, and this has discouraged domestic production of other foods.

FAO statistics show wheat consumption in tropical countries

increases at an annual rate of three percent, with consumption of traditional food plants such as roots and tubers declining at 0.5 percent a year.

Nigeria, the most populous state in Africa, which in 1986 imported wheat costing more than R300-million, has since banned wheat imports completely.

Millions more have been spent on trying to make Nigeria self-sufficient in wheat.

Borno state, which had the first wheat growing pilot scheme 30 years ago, is expected to produce 30 000 tons, Jaduna 26 000, Bauchi 18 000, Sokoto 16 000 and Kwara 30 000. But yields are still very low by international standards.

In Bauchi last year the yield was less than 1 ton per hectare,

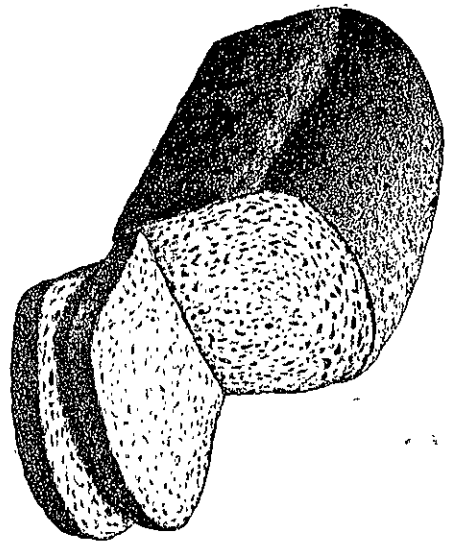
though in Plateau state it was over two tons. There are 14 000 farmers trying to grow wheat, but yields are still very low by international standards.

The locally-grown wheat is not as good as imported wheat for bread making.

Nigerian bakeries are faced with a whole host of problems including high costs, poor quality and the need to mix in substitute, root-based flours.

Says the FAO: "Unfortunately, wheat cannot be grown in most tropical countries due to climatic conditions.

"Those crops such as roots, tubers and coarse grains which produce excellent yields in the same countries are being gradually removed from the major marketing channels." - New African



Bread price hike is on the cards

PRETORIA — The bread price is almost certain to be raised from November 1 — the start of the new wheat season — according to sources here.

The Wheat Board is to meet Agriculture Minister Jacob de Villiers this month to determine producer prices and bakers' and millers' margins.

And unless government agrees to an additional subsidy, the extent of the bread price hike will also have to be fixed. In his March Budget, Finance Minister Barend du

4/10/89
GERALD REILLY

Plessis set aside R80m to support the bread price.

This was insufficient and a further R35m was granted.

What is left of the R115m subsidy is insufficient to maintain the bread price at current levels until the start of the new financial year next April.

And against a background of government policy to phase out food subsidies, and a lack of state funds, the chances of a bridging subsidy are remote.

Drought threat to wheat crop

GERALD REILLY

PRETORIA — Drought fears in the cropping areas of the summer rainfall region are intensifying as rains hold off, threatening production over a vast area.

According to the Weather Bureau, missing this year were the spring and early summer rains which last year resulted in a record 3,5-million ton wheat crop and a near-record 11,5-million ton maize crop.

The drought is particularly severe in the Free State, which in a normal year produces 60% of the total wheat crop.

According to ^{(3) wheat} Wheat Board sources, high temperatures and strong winds have played havoc with the crop. There is also a wheat lice infestation. *8 (day 5/10/89)*

Without rains in the next 10 days to two weeks the situation would become critical.

On Nampo's Bothaville farm the water table dropped drastically from 60cm to almost 2m over the past two weeks making ploughing and planting impossible.

Big bread price rise on the cards

PRETORIA — The bread price could rise by between 8c and 12c a loaf from November 1, government sources here said.

Behind the expected increase were wheat farmers' demands for compensation for escalating production costs, bakers' and millers' demands for higher margins, and retailers' demands for an increase in their 3c-a-loaf profit.

A key factor making it virtually certain Cabinet would authorise a big price hike was the fast dwindling R115m bread subsidy, with the remaining amount being far too little to hold bread prices at current levels until the start of the new financial year.

Government has also committed itself to a policy of phasing out the subsidy.

Last August the price was increased by 4c a white loaf to 85c and by 6c a brown

B1 Day 12/10/89

GERALD REILLY

loaf to 69c.

In April it rose again: white bread by 5c to 90c and brown bread by 7c to 76c.

Housewives League president Lyn Morris said if the whole chain from producer to retailer were to be granted increases, then government had no alternative but to raise the price.

This would obviously impose hardships on lower income groups.

"Some way must be found to lower the prices of basic foods to the lower income groups," she said.

Basic food prices would become a critical issue, she stressed, when VAT was introduced and if, as was feared, government refused exemptions.

By Don Robertson

BUMPER wheat and maize crops in the past season promise the fertiliser industry a boost in sales this year.

But because of rising raw material costs and the disappearance of discounts, fertiliser prices are expected to jump.

It is expected that last year's total sales of 2.2-million tons will rise by between 5% and 10%. Many farmers are now better off than in the drought years and are using the early delivery rebate (EDR) system to buy fertiliser ahead of requirements.

Hilmar Venter, executive director of the Fertilizer Society of SA, says: "The two good wheat crops in the Western and Eastern Free State have helped a lot, and nitrogen and potash-based fertilisers will be the main requirements."

First-quarter sales to the

Sales, prices of fertiliser set to rise

3 Wheat
5 Times 18/6/89

sugar industry were good, but a 35% rise in the price of potash-based fertiliser has made farmers unhappy.

John Skeen, managing director of AECI's Kynoch Fertiliser, says there will be an improvement in demand for fertiliser this year, but much will depend on international grain prices and the rand's value.

Should America have a drought similar to last year's, grain prices could rise. American prices dictate world values. If prices move above \$120 a ton for maize,

SA exports could be profitable.

The Maize Board expects between \$110 and \$120 a ton for last season's crop.

Fertiliser prices have risen because of rationalisation in the industry after the withdrawal of Sentra-chem's Fedmis operation. The Fedmis plant was sold to the three remaining contenders — Kynoch, Sasol Fertilizer and Omnia.

The "quality" of the market has improved, says Dr Skeen, and as a result discounts, which ranged from

15% to 25% last year, have vanished. The 16% to 17% rise in the price of fertilisers caused by increased costs of raw materials has aggravated the problem.

Increased demand for fertiliser has made it necessary for all plants to work at full capacity, probably for the next three months.

Peter Viljoen, managing director of Sasol Fertilizer, says the stabilisation of the industry after the Fedmis withdrawal will be in the long-term interests of farming because it will allow producers to absorb increased costs.

Uneconomic capacity has been removed and with a better supply-and-demand equation, destructive price wars have ended.

The price of rock phosphate rose by 15% last year and is expected to go up by 17% this year. The price of sulphur on international markets increased by 18.4% last year and is expected to go up 12.2% in 1989.

Sulphuric acid prices have risen by 5% this year.

Wheat surplus
is a massive
1,2-million tons

GERALD REILLY

PRETORIA — The record wheat surplus from the 3,5-million-ton, 1988/89 crop amounts to a massive 1,2m/t, says Wheat Board chairman W E Pienaar.

In a statement here, Pienaar added that 85% had already been sold under contract on the export market and on the local market for feed grains.

He said arrangements for the marketing of the remainder were now being made.

Surplus wheat had to be removed as quickly as possible to make room for another big crop in the coming season.

A surplus of 1-million tons was possible, Pienaar said.

85% of wheat surplus under export contract

Call for 125 5/14/89
Financial Staff *36 Leaf*

EIGHTY-five percent of the expected total wheat surplus of some 1.2 metric tons has already been sold under contract on the export market according to the Wheat Board.

The Wheat Board said the present season's wheat crop is expected to amount to 3.5 metric tons — in line with the forecast made at the beginning of October 1988.

Attempts are being made to remove all surplus wheat as soon as possible to save on costs and facilitate the coming maize crop.

JSE actuaries indices

INDEX PREV. MOVE DIV. EARN

selling prices. This tendency has negative implications for producer prices whenever large quantities are exported.

All the other commodities mentioned are realizing profitable export prices.

- (3) (a) In respect of maize and wheat the effect of surpluses on producer prices is somewhat neutralised by the domestic selling prices. In addition, assistance is given to the Maize Board to subsidise maize prices. In respect of the wheat industry assistance is given by way of a bread subsidy which enhances local sales of wheat.

(b) In respect of maize and wheat the government introduced measures to financially assist those producers who wish to change over to other farming enterprises. In the grain production areas concerned, the establishment of pastures on land previously used for growing grains is being subsidised. In addition certain maize and wheat farmers are also receiving financing aid for this purpose.

Milk: price increases

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

- (a) What was the producer's price of (i) milk and (ii) industrial milk as at 31 December 1988 and (b) what price increases came into effect in respect of each category (i) in 1988 and (ii) subsequent to 31 December 1988?

B414E

The MINISTER OF AGRICULTURE:

- (a) (i) and (ii) 40,52 cents per litre
(b) (i) None
(ii) 1,54 cents per litre

The above-mentioned price is the minimum price for milk with a butterfat content of 3,8% and a protein content of 3,3%. No difference is made between milk and industrial milk and only a minimum producer price is now determined for milk.

Publications Act: items declared undesirable
182. Mr S S VAN DER MERWE asked the Minister of Home Affairs:

- (1) How many items were declared undesirable in 1988 in terms of section 47(2)(a), (b), (c), (d), (e) and (f), respectively, of the Publications Act, No 42 of 1974;
- (2) whether any appeals were lodged against decisions to declare any such items undesirable; if so, how many cases in respect of each of the categories referred to in section 47(2) of the said Act (a) had been (i) upheld and (ii) dismissed and (b) were pending as at 31 December 1988?

B419E

The MINISTER OF HOME AFFAIRS:

Section 47(2)	(a)	(b)	(c)	(d)	(e)	(f)
(1) Section 47(2)	246	87	—	—	—	—
(2) Yes, but only in respect of the categories "publications or objects" and "films". Particulars are as follows:						
	(a)(i)	(ii)	(b)	(a)(i)	(ii)	(b)
	8	6	—	6	14	4

Publications or Films Objects

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	8	6	—	6	14	4

Foreign media: applications for visas

183. Mr S S VAN DER MERWE asked the Minister of Home Affairs

- (1) How many applications for (a) new, and (b) the renewal of, visas were received

from foreign media representatives in 1988;

(2) how many such applications (a) had been (i) granted and (ii) refused and (b) were pending as at 31 December 1988;

(3) what was the average time taken before such applications were decided upon?

B420E

The MINISTER OF HOME AFFAIRS:

- (1) (a) 898 of which 101 applications were withdrawn.
- (b) 154 of which 2 were withdrawn.
- (2) Statistics on the basis required are unfortunately not available. The applications not finalised during 1987 and therefore carried over to 1988 are included in the following figures which are given for the purpose of the reply:

	Carried over from 1987	(a)(i)	(ii)	(b)
New applications	84	556	182	143
Renewal applications	18	155	5	10

- (3) It took on average 19 working days in respect of new applications and 13 working days in the case of renewal applications to finalise the respective applications.

Export and import of wheat

190. Dr F HARTZENBERG asked the Minister of Agriculture:

- (1) Whether the Wheat Board exported any wheat in recent years; if so, (a) how many tons, (b) what was the value thereof, and (c) on what date, in each case;
- (2) whether the Wheat Board imported any wheat in recent years; if so, (a) how many tons, (b) what was the value thereof, and (c) on what date, in each case;
- (3) whether any losses were suffered on the importation of such wheat; if so, what (a) was the extent of and (b) were the reasons for each of these losses?

B438E

The MINISTER OF AGRICULTURE:

- (1) Yes.
- | (a) | (b) | (c) |
|--------------|-------------|------------------------------|
| 86 386 tons | R23 623 603 | 1 Oct. 1984 — 30 Sept. 1985, |
| 26 673 tons | R 8 798 362 | 1 Oct. 1985 — 30 Sept. 1986, |
| 19 622 tons | R 7 345 286 | 1 Oct. 1986 — 30 Sept. 1987; |
| 255 982 tons | R62 770 855 | 1 Oct. 1987 — 30 Sept. 1988; |

- (2) Yes, (a) 312 723 ton, (b) R101 462 000, and (c) June to September 1986;

- (3) No.

South African citizenship regained by Blacks

225. Mr S S VAN DER MERWE asked the Minister of Home Affairs:

- (1) How many Blacks in each independent Black state regained their South African citizenship in 1988 in terms of the provisions of the (a) National States Citizenship Amendment Act, No 13 of 1978, and (b) Restoration of South African Citizenship Act, No 73 of 1986;
- (2) whether any applications were refused; if so, (a) how many from each state, and (b) why, in each case?

B510E

The MINISTER OF HOME AFFAIRS:

- (1) (a) Owing to the provisions of the Restoration of South African Citizenship Act, 1986 (Act 73 of 1986), which came into effect on 1 July 1986, no Black of any of the independent states applied in terms of section 3 of the National States Citizenship Act, 1970 (Act 26 of 1970), as amended by the National States Citizenship Amendment Act, 1978 (Act 13 of 1978) for South African citizenship during 1988.
- (b) Statistics on the bases as required by the hon member are not available.

Bokomo opens in Transvaal

Wheat

CHARLOTTE MATHEWS

WHEAT millers Bokomo have opened their first bakery in the Transvaal in a R2.2m conversion of the old Cerebos factory in Clayville. *WMA 25/11/87*

Renovation to the standards required by the food industry was done by Grinaker Projects, which built the Oudtshoorn Bokomo mill and has completed other large bakery contracts in the Transvaal.

Anger over hike

scribble to 19/81
THE Government faced demands yesterday for the appointment of a commission of inquiry as well as a Minister of Consumer Affairs following the latest spate of increases.

Opposition spokesmen were incensed yesterday at the announcement that the price of maize was to go up for the consumer but go down for the producer.

This followed on the heels of the increase in the wheat price — also despite the surplus.

The boards controlling the grain products have claimed the prices had to go up because the surplus in maize and wheat had to be exported at a loss.

Mr Harry Schwarz MP,

(3) wheat
Democratic Party spokesman, in a statement yesterday also accused the government of allowing a host of maize prices now hoping the consumer would forget them by the election.

He warned the latest increases not only

(scribble)
created hardship for lower income groups but "it creates inflationary expectations which will result in more price increases and consumer exploitation.

"This is upside-down economics. The basic rule is prices are set by supply and demand."

STUDENTS' DEMAND

THE National Union of South African Students and black student organisations have called for national and international intervention against the presence of SADF troops at the University of the North (Turffloep).

Over 12000 students on Nusas-affiliated campuses around the

country have voiced their protest by signing postcards in support of Turffloep students. — Sapa.

Anger over hike

South Africa 20/4/87
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B 10 am 20/2/84

Maize farmers switch to wheat

GERALD REILLY ³ wheat

PRETORIA — Maize farmers had switched to wheat production on a substantial scale, particularly in the Free State, Reserve Bank senior deputy governor Japie Jacobs said at a Merino Breeders Association meeting in Bloemfontein last week.

This resulted from attempts to make the mealie industry more market related because of big export losses.

The switch had price implications for the wheat industry, and led to the passing on of the adjustment problem in the mealie industry to the farming system in the western Cape.

Drought: Farmers call for govt aid

CHE PLOTTIS
13/2/89
3 wheat

Own Correspondent

PORT ELIZABETH. — Failed wheat crops for three consecutive years have placed an escalating debt burden on a number of drought-stricken farmers in the Suurveld area between Humansdorp and Kareedouw.

The farmers, members of the Suurveld Farmers' Union, have now applied for their district to be declared eligible for Phase 1 of the government's drought relief fund.

Their application follows Thursday's granting of the magisterial districts of Port Elizabeth, Paterson, Alexandria and Steytlerville as recipients of Phase 1 of drought relief.

Mr Hercules du Plessis, owner of the farm Boplaas and vice-chairman of the Suurveld Farmers' Union, said many farmers in the district faced the prospect of heavy financial losses as a result of loans taken out to plant cash crops (mainly wheat) four to five years ago.

"These government-subsidised

loans, which farmers are paying back at six percent interest, will be repayable after six years at 18%.

"If we don't have rain soon, farmers are going to be faced with huge debts caused by failed crops and the subsequent lack of financial returns on capital investments."

He said that because of the present drought, farmers were now forced to take drastic measures to survive, like reducing stock to eliminate increased feeding costs.

Some farmers had cut their stock by as much as 25% while others had leased additional land to prevent overgrazing by sheep and cattle.

Mr Du Plessis said that for the first time in three generations springs and boreholes on many farms had run completely dry.

Some farms were without domestic or drinking water and water is taken to the drought-stricken areas in tankers provided by Eastern Province Command on a regular basis.

Water is also being transported from the Kouga River.

... value of its ferrochrome exports.

Huge maize crop will earn farmers R2bn

3 May GERALD REILLY

PRETORIA — SA's huge 11,5-million ton maize crop — the second biggest on record — would put substantially more than R2bn into farmers' pockets, the National Maize Producers Organisation (Nampo) said.

The bulk of the payout would, however, go to banks, the state, input suppliers, workers and other organisations, Nampo said in its magazine *Mealies/Maize*.

Exports, Nampo estimated, could earn close to \$500 000m in much-needed foreign exchange, strengthening the country's critical trade balance. B/DW 20/4/89

The net producer price of maize increased only marginally in recent years, while production costs had risen by more than the inflation rate, a spokesman said.

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Rains have not yet hit wheat crop.

RECENT extensive rains have not yet affected the viability of the wheat crop, still estimated at 3,3-million tons, and the potato crop is expected to be a record 15-million bags.

Wheat Board deputy GM Ivan Hemingway said 20% of the Free State crop had yet to be delivered to co-ops. Between 10% and 15% of the crop was still on the land and could be low quality if it rained soon.

③ wheat 31 May 29/1/8 F.
RICHARD BARTLETT

Potato Board statistician Jacobus Mostert said about 30% of the eastern Free State potato crop had been planted and that an estimated 15-million bags would be harvested until September this year.

The large crop of potatoes would make prices uneconomical for farmers, he said.

Widespread condemnation of maize hike

CAPE TOWN — Most quarters yesterday reacted with outspoken condemnation to this week's Maize Board announcement that the consumer price of maize is to be increased.

DP spokesman Harry Schwarz called for a minister of consumer affairs to be appointed, and said the 9.9% rise was just the latest in a series of price increases bombarding the consumer.

He was reacting to the announcement on Monday that, while the producer price for white maize had been decreased by 12%, the consumer price had increased.

He said basic economic laws were not operating because of price fixing. This was clearly illustrated in that a surplus maize crop had resulted in a

higher price being fixed for the consumer while the price to the producer was lower.

It was time consumers stood up for their rights and a minister of consumer affairs was appointed to provide consumers with a voice in government to protect their interests.

CP deputy leader Ferdie Hartzenberg said that in an above-average year, maize producers as a whole were now facing a loss. It was an example of the destruction of the production base by government policies.

In Pretoria, Transvaal Agricultural Union GM Johan Hartman expressed concern at the announcement.

He said the 13% increase in the selling price of yellow maize could have a negative effect on various in-

dustry — including the poultry and pork sectors. The increase in white maize prices could affect sectors depending heavily on manual labour, as food prices would rise.

In Johannesburg, Checkers, announced it would delay for as long as possible an increase in prices.

The increase will affect products such as eggs, poultry, dog food and margarine.

Vice-chairman of the Red Meat Producers' Organisation's National Pig Executive Gerard Braak, Jnr, said the increase in the maize price could be considered justified.

"The price of yellow maize has risen by less than the inflation rate and in real terms has declined over the past four years," he said. — Sapa.

● Comment: Page 8

Price increase anger — calls for inquiry and new Minister

By BRUCE CAMERON
Political Staff

THE government faced demands today for the appointment of a commission of inquiry as well as a Minister of Consumer Affairs following the latest spate of increases.

Opposition spokesmen were incensed today at the announcement that the price of maize was to go up for the consumer but go down for the producer.

This followed on the heels of the increase in the wheat price — also in spite of the surplus.

The boards controlling the grain products have claimed the prices had to go up because the surplus in maize and wheat had to be exported at a loss.

Mr Harry Schwarz MP, Democratic Party spokesman, in a statement today also accused the government of allowing a host of maize price increases now hoping the consumer would forget them by the election.

He warned that the latest increases not only created hardship for lower income groups but "it creates inflationary expectations which will result in more price increases and consumer exploitation".

"To argue this is a market-related price as has been done by the representative of the Maize Board is without substance as there is no internal market and no competition and prices are fixed.

"This is upside-down economics. The basic rule is that prices are set by supply and demand.

"The truth is the consumer is subsidising the losses to be incurred on exports in respect of a very high crop.

"The case for a Minister of Consumer Affairs to speak solely for the interest of the consumer becomes stronger by the day."

Mr Ralph Hardingham MP (NRP Mooi River) said the decision by the Maize Board "will have disastrous consequences for the industry".

"This is little more than an act of suicide. The effect of the decision will bring about an immediate drop in consumption, will create an even greater surplus problem and will result in the complete lack of producer confidence in the future of the industry.

"It is foolhardy to tamper to such a degree with the mechanisms of production and marketing. Market forces cannot be merely swept aside and ignored. The time has come for a complete reappraisal of the entire marketing structure for grain products."

Mr Hardingham said an impartial commission should be appointed immediately to investigate the situation.

Anger over hike

South Africa 1979
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country have voiced their protest by signing postcards in support of Turflow students. Sapa.

Maize
producer
prices
decreases

26/4/87

JOHANNESBURG —
The SA Maize Board has announced that the selling price of white maize will increase by 9,9%, while the producer price will decrease by approximately 12%, from May 1.

The yellow maize price would be increased by 13% to R333 per ton.

The Maize Board said the prices which farmers will receive on delivery from May 1 will amount to R212 per ton for white maize and R207 per ton for yellow maize.

These prices are approximately 12% lower than the delivery price paid to producers on last year's crop.

Maize board chairman Hennie de Jager said "Both the human market for white maize and the feed market which depends on yellow maize, are recovering".

He said the board had sought to recapture lost ground through a market-orientated price policy and active marketing.

De Jager said the lower producer prices can primarily be ascribed to this year's expected crop deliveries of up to 11 million tons.

He added, "This year almost half the farmer's maize crop will have to be sold on the export market which will have a direct depressing effect on the producer price."

The large exportable quantities of maize will bring foreign exchange earnings of R1,5m and have a positive influence on SA's trade balance, he added.

De Jager said he was concerned at the maize producer's poor financial position. — Reuter

oured. ■

MAIZE PRICES

3 MM 28 FMM/C

28/4/89

Where's the logic?

The Maize Board (MB) hopes to export a 5,5Mt crop surplus this year. Why, then, have maize consumer prices been *increased*, while farmers will receive lower prices than last year?

In the case of yellow maize, farmers will receive R126/t less than the consumer price of R333/t, while the price differential for white maize is R142/t.

MB officials say there are rational explanations for discrepancies in the system, but consumer representatives say the MB should rather follow the example of the Potato Board, which operates a surplus removal scheme and has allowed prices to drift downwards to R3 a bag, as the result of a huge surplus.

In the case of maize, consumers look for substitutes, while farmers try to circumvent the anomalies of a system that is complex, to say the least.

Farmers are still compelled to sell all their produce through the MB, but the huge price differential could tempt many to strike direct deals with potential buyers. It doesn't help that exports, despite no shortage of takers, are being sold at a loss.

"This price increase is a definite step in the wrong direction. Why should local consumers cross-subsidise export 'losses' — after we were told previously that exports could be profitable this year?" asks Pretoria University agricultural economics professor Jan Groenewald.

He says the MB gives the impression of being a top-heavy, monopolistic organisation that "costs too much." Markets are basically simple and it is hard to understand why the MB operates such a complicated system.

Human consumers aren't the only ones affected by prices. Kanhym feedlot manager Henning van Aswegen does not expect beef prices to increase for the rest of the year. More farmers will use their "cheaper" maize to fatten livestock and feedlots should have sufficient quality beef. But mutton and chicken prices might rise.

"The MB should have retained existing prices a few years longer. The surplus is the result of wrong market signals," says a poultry industry spokesman.

Dairy Board CE Edu Roux expects little impact in dairy prices. Many farmers produce their own maize, which constitutes about 25% of total production costs.

Consumer Council director Jan Cronje says consumers have been "bombarded with price increases of staple foods. Consumers question the effectiveness of some control systems. Price increases of basic foodstuff require government's urgent attention."

MB economist Johan Willemsse says farmers are looking at prices the wrong way.

"After costs of R990m are deducted, this leaves R2,3bn net. Farmers should gross about R800m more than last year and should look at total income, not price per ton."

He adds that consumer prices have not been increased for two years and the MB has to recover increased costs. ■

Payments could total R1,4bn

Govt to pay total debt of Maize Board

Cont Jcrif 28/4/89

3 share



Mr Greyling Wentzel

Political Staff

THE government's plan to pay off the Maize Board's accumulated debt could result in its spending up to R1,4 billion in interest and capital payments in the next 10 years.

The Minister of Agriculture, Mr Greyling Wentzel, yesterday announced at a Nampo function in Bothaville, OFS, that the yearly subsidy paid to the board would in future be used to redeem the accumulated debt of the Maize Stabilisation Fund.

The debt is at present R460 million, but with interest is

expected to rise to R540m next year.

Mr Wentzel said the annual subsidy of about R76m would be substantially supplemented by the government to provide for interest and capital redemption payments.

If the debt was paid off over a 10-year period, this would involve annual payments of R100m a year — bringing the state's total payments to R1,4bn.

This assistance to the Maize Board would include the redemption of the debts of the Grain Sorghum Board.

A Department of Agriculture spokesman said it had not yet been decided where

the money to pay for the debt redemption would come from. However, there had been cabinet agreement that it should be paid.

In the three years to April 1988, the government had paid R174m to the board to assist with the redemption of its debt. Despite this, the debt had risen to R460m and was set to rise further.

Mr Wentzel said the introduction of the new scheme would eventually result in the ending of the subsidy paid to the Maize Board and would put it on an equal footing with the wheat industry, where the government had already decided in principle to do away with the bread price subsidy.

Where will the money come from? (3) Maizel

Maize Board: govt to pay R1,4bn debt

CAPE TOWN — Government is to pay off the Maize Board's accumulated debt — which could result in it spending up to R1,4bn in interest and capital payments in the next 10 years.

Agriculture Minister Greyling Wentzel said at a Nampo function in Bothaville that the yearly subsidy paid to the board would, in future, be used to redeem the accumulated debt of the Maize Stabilisation Fund.

He said the debt was now R460m but, with interest, was expected to rise to R540m next year.

The annual subsidy of about R76m would be supplemented by government to make provision for interest and capital-redemption payments.

If the debt was paid off over a ten-year period, this would involve annual payments of R100m a year bringing total state payments to R1,4bn.

Wentzel said this assistance to the board would also include the redemption of the debts of the Grain Sorghum Board.

A Department of Agriculture spokesman



● WENTZEL

MIKE ROBERTSON

man said it had not yet been decided where the money to pay for the debt redemption would come from. However, Cabinet had decided to go ahead.

In the three years to April 1988, government paid R174m to the board to assist with the redemption of its debt. In spite of this, the debt had risen to R460m and was set to rise further.

As matters stood now just to meet the interest payments alone would involve a yearly levy of R10 a ton on a harvest of eight-million tons. Meeting capital payments would involve a R15 a ton levy.

Wentzel said the introduction of the new scheme would eventually result in the ending of the subsidy paid to the board which would put it on an equal footing with the wheat industry where government had already decided in principle to do away with the bread price subsidy.

□ GERALD REILLY reports from Pretoria that board GM Hennie Davel declined to comment on the announcement.

But Grain Sorghum Board GM Danie van Rensburg said his board had inherited a R4m deficit from the board when it was established in 1986. With interest, the amount had risen to R6m and his board was delighted with the write-off.

Govt writes off ^{3MAIZE} R460m ^{Capl Times 28/4/89} maize debt

Staff Reporter

THE government is to write off almost R460 million in debt incurred by the Maize Board.

And last night the Democratic Party's finance spokesman, Mr Harry Schwarz, lashed out at the decision saying the news could mean the government spending up to R1,4bn in interest and capital payments in the next 10 years.

He branded the move "completely and utterly unacceptable".

The action came at a time when the country was told there was no money to keep the bread price down, for social

pensions increases or for tax reductions.

"Now suddenly there is money for this kind of thing.

"There seem to be two sets of standards in operation: One when it comes to helping farmers and another when it comes to consumers in urban areas."

However, CP finance spokesman Mr Casper Uys came out in support of the government.

"They obviously had no choice," he said.

"The maize industry is in the doldrums and the government must try to get it out."

● Govt to pay Maize Board debt — Page 4

Clean slate for 'burdened' Maize Board

825 28/4/89
By Alan Dunn,
Political Staff

The Government yesterday announced it was writing off the Maize Board's R460-million debt.

Minister of Agriculture Mr Greyling Wentzel said at a Bothaville harvest day it would cost the Government R1,4 billion if the board's stabilisation fund was brought back to the black over 14 years.

Maize export losses had sunk the fund from a R5-million balance in 1980 to a deficit of R411-million in 1987.

This had gone up to a total of R460 million in spite of Government aid of R174 million.

"It places a very heavy burden on the Maize Board, especially when you take into account that the interest rate alone in the present financial year will run to

about R80 million," he said.

Speaking to mealie farmers, Mr Wentzel said this situation could not be allowed to continue. "As it is, it would weigh very heavily on maize farmers," he noted.

If the maize industry was held to paying only the interest on its debt, it would mean a levy of R10 a ton in a harvest of eight million tons.

③ Maize

LESS DEPENDENT

Taking capital redemption into account, this would mean R15 a ton under normal circumstances.

Direct subsidy of maize exports would not solve the problem in the long term, he said. That was why he favoured offering State aid rather in a scheme where farmers switched their crops.

Agricultural producers had al-

ways yearned to be less dependent on the authorities. "Financial independence is a prerequisite in accomplishing this," he added.

Aid which permanently enslaved the maize industry to the authorities was in the long term unhealthy for the business.

He said the industry was moving towards greater autonomy, away from the fixed-price system to a more market-related one.

Mr Wentzel said he had in the past given the undertaking he would do everything in his power "to remove this burden so that the business can start again with a clean slate".

While Government would take care of the debt, it would also stop the Maize Board's annual subsidy, presently R76-million, he said.

Maize grant Sept 29 1987 unacceptable, says Schwarz

CAPE TOWN — The payment of R460 million to the Maize Board by the Government must be utterly unacceptable to the body of taxpayers in South Africa, Mr Harry Schwarz, the Democratic Party finance spokesman, said yesterday.

"There is said to be no money for increased social pensions. No money to keep the bread price down. No money for tax concessions. Yet, when it came to the Maize Board, R460 million was suddenly available." ³ Maize

He said the manner of dealing with the debt was such that it avoided having to come before the Parliamentary Public Accounts Committee.

"However, we will try to raise it both in the Committee and in Parliament," he said.

There appeared to be a completely different approach by Government to farming interests than there was to the urban taxpayer.

"Urban and business employers and workers must fend for themselves, but when it comes to farmers there is a far more accommodative approach," he said. — Sapa.

Bread replacing mealie meal as urban staple diet

BREAD was replacing mealie meal as the staple diet in urban areas because of convenience, Wheat Board deputy GM Ivan Hemingway said.

He said consumption of maize in the urban areas was declining as rural populations urbanised.

The 1989 Agricultural Outlook Conference (Agrocon) report said bread consumption had increased by 6% from October 1986 to September 1987.

It said the potential for an increase in bread consumption was found mainly in urban black consumers. The slight increase in consumption in the past year was accounted for by the poor economy.

^{wheat}
RICHARD BARTLETT

Wheat consumption has increased steadily from 1,75-million tons in the 1979-80 season to 2,2-million tons in the 1987-88 season. Compared with that, human consumption of maize dropped from 2,9-million tons in 1984-85 to 2,4-million tons in the 1987-88 season.

The Agrocon report said per capita world consumption of maize increased 27% in the developed world between 1965 and 1985 and by 64% in the developing world. The increase in the developing world was accounted for by the rapid rate of urbanisation as well as

population growth. 31 Dec 1989

SA white maize production had been erratic with the 1986-87 crop at 2,4-million tons, down 800 000 tons from the previous year. The 87-88 crop was 3,2-million tons.

Maize Board chief economist Johan Willemse said it was dangerous to compare the drop in white maize consumption with the increase in wheat consumption as other factors played an important role.

White maize was only milled in SA and could not be imported. This led to shortages being filled by other grain products, including rice and wheat.

RAINS THREATEN WHEAT CRISIS

RICHARD BARTLETT

SA WHEAT exports have been stopped and stockpiles in the Cape have been diverted from being used as animal feed as heavy rains threaten the Free State crop, Wheat Board deputy GM Ivan Hemingway said yesterday.

One third of the 3,3-million ton national crop was in the balance, he said. The threatened harvest is worth an estimated R388m.

Hemingway said unless the heavy rains stopped for the next two weeks, the eastern Free State wheat crop, estimated at 850 000 tons, would be ruined. *81 Day 13/11/89*

In addition, 20% of the remainder of the Free State crop, which had not yet been harvested, was in danger.

"It is still early days, but it would be foolish to wait until the crisis," said Hemingway. *(3) wheat (12)*

If the rains continued, the crops would have to be harvested as sprouted wheat and used as animal feed, he said.

The Cape wheat crop of 120 000 tons would be used as a buffer should the unharvested crop be ruined. About 80% of the rest of the Free State crop — 1,3-million tons — had been harvested and the 310 00-ton Transvaal crop was in.

Last year, disposal of the surplus of 540 000 tons resulted in a loss of R125m.

This year's surplus is estimated at 800 000 tons.

Hemingway said this year's crop had a low protein content because of the excessive rains. This reduced the quality of the grain and brought down export prices.

land seeking to bring on

Wheat no use
for export but
SA can eat it

Star
10/11/81 Pretoria Bureau (3) wheat

Wheat exports had been stopped because the protein content of this year's harvest was below the 12,5 percent required for export, said Mr J C Pienaar, general manager of Central West Co-op.

However the wheat was excellent for local purposes and about 73 percent of the harvested wheat was A-Type. Mr Pienaar said this was ideal for use in bread so he did not foresee a drop in the quality of bread.

He said the wheat in the eastern Free State was dropping in quality due to excessive rains and so far only 30 percent of the expected crop had been gathered.

He attributed the decrease in the protein level in the wheat to poor fertilising and heavy rains.

About 50 percent of all harvested wheat had to be dried as the moisture content had been too high, said Mr Pienaar.

WHEAT.

1990

Worst drought in 60 years

Farmers hope for late rains

Star 11/2/90
B wheat

FARMERS are relying on a wet January, February and March to break the worst drought in 60 years and to provide a bigger maize harvest.

If rain doesn't fall in substantial amounts, all that will be left to do is to plant sunflowers — and hope that this will help to recoup mammoth financial losses.

South African Agricultural Union (SAAU) chief economist Dr Koos du Toit said yesterday that farmers were getting very worried about the situation "which has not changed in two weeks".

Infestation

He reiterated a statement made by the Maize Board in Pretoria yesterday that good rains had to fall within the next fortnight to help the maize harvest — "but the weather doesn't look very helpful", Dr du Toit added.

The board disclosed that only a third of the 2,5 million ha available for maize planting had been utilised up until Thursday, and in some districts only 10 percent had been planted.

For the first time since the extent of the drought became apparent it was also disclosed that a cutworm infestation had added to farmers' misery by decimating crops in some eastern Transvaal areas.

It was reported this week that there was a possibility that maize and wheat would have to be imported to meet domestic needs.

The Wheat Board expects a 500 000-ton shortfall this season.

Dr du Toit said in the north-eastern districts of the eastern Transvaal about 70 percent of the maize crop had been

NORMAN CHANDLER
Pretoria Bureau

planted "but the amount for the Standerton and south-eastern parts of the province was much lower. There, farmers were adopting a wait-and-see attitude.

"For them it is almost too late to plant and they may have to turn to sunflowers as one way to off-set costs.

"Some farmers in the western Transvaal have started planting. They are fortunate because they have until at least mid-December, and in some areas, until the end of the month, to sow their crops. If no rain falls, then it's sunflowers as well," he said.

One of the biggest problems for farmers is the standard of grazing.

"They usually bargain on reasonable grazing but as this is now no longer the case, they are coming up against stock feed problems," Dr du Toit said.

It was reported earlier that R500 000 was being spent monthly by farmers in some areas on feeding livestock.

An investigation by the Saturday Star in the western and northern Transvaal shows that grazing conditions are very poor in most districts.

Dr du Toit said "Let's hope for a wet January, February and March. Apart from helping the veld to recover, it could mean that in the Free State and western Transvaal we should be able to expect a big harvest under such conditions. But it all depends on the weather."

The SAAU anticipates that farmers may have to make do with harvesting two tons a hectare as against the normal three tons of maize. This lower yield will place an additional financial burden on an industry which has already accumulated debts totalling R14,9 billion.

500 000-ton shortfall in SA's wheat crop

③ wheat
④ maize

Std 7/12/90

By Norman Chandler
Pretoria Bureau

Drought has resulted in the country's wheat crop being less than expected for the second year in succession, it was disclosed in Pretoria yesterday.

Last year, the crop was a million tons less and this year it is expected that the shortfall will be at least 500 000 tons.

The Wheat Board said in a statement that it had made an "ultimate final estimate" of 1,95 million tons for last season but that this

would not affect the current price of bread. Bread was increased in price last month and is expected to rise substantially in March when the Government subsidy scheme ends.

Board chairman Eddie Pienaar said that what the board was paying producers for last season's crop would also not affect wheat selling prices.

Producers were being paid this week and cheques were already being transferred to them. Producers of all grades of wheat will be paid R18,24 a ton while those of feed-grade wheat will receive R37 a ton.

"The final payment is

possible because the total crop was marketed for domestic consumption and some utility grade wheat could be used for milling," Mr Pienaar said.

The 1990-91 crop potential is at present being assessed. It is expected it will not meet the 2,4 million ton domestic demand and that at least 500 000 tons will have to be imported, at a cost of about R400 a ton.

Meanwhile, the Maize Board is monitoring maize production.

The drought in large areas of the western Transvaal and north-western Free State — which provides 40 percent of the

country's crop — has had a devastating effect on planting possibilities.

There has been speculation that the maize crop could fall by as much as 4 million tons.

Widespread rain over the Transvaal, Free State and northern Natal in the past week has not alleviated the drought, and although some farmers are ploughing, many have not yet done so.

The Weather Bureau's latest rainfall figures for the period to 8 am yesterday show that only 1 mm of rain fell at drought-stricken Delareyville.

Wheat shortage may benefit govt

GERALD REILLY and
LINDEN BIRNS

PRETORIA — The massive failure of this year's wheat crop is likely to be money in the bank for government — more than R60m, according to informed estimates.

Drought and pest damage have reduced the Wheat Board's original crop estimate of 1,9-million tons to a 10-year low of 1,7-million tons. This is 500 000 tons less than is needed for local consumption.

The board has already asked government for permission to import which is certain to be given.

Because of the mountainous world grain surplus, wheat can be landed at SA ports for about R360 a ton. Another R40 can be added for insurance and railage inland.

At present the board sells to millers at R520 a ton — a substantial profit of R120 a ton is therefore possible.

Milling sources yesterday appealed for at least part of the profits to be diverted towards subsidising bread prices.

But Wheat Board sources said government was unlikely to pass on the windfall to millers and ultimately consumers.

Nor was it likely the profit would be used to extend the bread subsidy which is due to be phased out completely from end-February.

Govt was more likely to stash it away in state coffers.

The fact that the US government this week agreed to give the Soviet Union the necessary credit

to purchase huge quantities of US grain was not expected to have a significant impact on international prices.

The world surplus was so great, it was stated, that it would hardly be dented by Soviet imports.

Top milling industry sources who asked not to be named — said government ought to channel some of the profits it stood to make on imported wheat back into subsidising bread.

They predicted bread would cost between R1,15 and R1,20 a brown loaf by next March.

Earlier this year, government announced the bread subsidy would be phased out completely by next March.

One source said it was difficult to comment on government's potential profits.

"There's nothing to say the government is definitely paying the international price for the wheat; they may have some bartering arrangement or reciprocal agreement with the country exporting the wheat," he said.

Another spokesman said the government could face problems next year when bread, which will be without subsidy, would be subject to value added tax (VAT).

The imports are expected to start end-February next year or early in March.

WHEAT (3) wheat
FIM 14/12/90

SILVER LINING

There's both good and bad news in the failure of the wheat crop. The rains may have come too late to save it, but bumper harvests in grain-growing countries abroad will help to ensure keen import prices for the Wheat Board.

Global wheat production has increased by nearly 11%, according to the US Department of Agriculture, and nearly every wheat-producing country is dumping wheat at rock-bottom prices. This means government may be able to import wheat at far less than the R520/t guaranteed to local farmers (*Business* November 9).

Final figures are not yet available but board GM Ivor Hemingway estimates the board will have to import 400 000 t. He says SA needs 2,3 Mt but expects a crop of only 1,9 Mt. In addition, the 500 000 t three-month milling reserve it needs must also be imported if the August-September harvest in the summer wheat-growing areas, such as the Springbok Flats, also fails.

Tenders haven't been sought yet but at current prices he believes SA will have to pay about US\$125/t, including shipping, for wheat imports. Allowing for insurance and other costs, the wheat will land at about R360/t and, with railage, R400/t on the Reef, where most flour mills are situated.

Technically speaking, the board will make about R120/t on imported wheat — largely because of the wheat-exporting countries' shortage of customers. Ironically, governments are still offering incredible subsidies to their wheat exporters to help them to reduce prices. In the EC, the subsidy is running at \$200/t, twice the price farmers got for the wheat. In the US, under the Export Enhancement Programme, the subsidy is \$70/t more than farmers received.

Most producing countries have surpluses this year. Canada is expecting a 27% increase to 31 Mt and the 12-nation EC, which already has an enormous surplus in storage, is expecting to reap 81 Mt — its second highest crop.

Buyers are hard to come by. Brazil and some other Latin American countries must increase imports but the Middle East is expected to reduce imports by 36% because of

FIM 14/12/90 (3) wheat

the Gulf crisis and Turkey's unusually ~~good~~ crop.

The SA government stands to make R482 if it can land imported wheat on the Reef at R120/t less than it pays local farmers. Moreover, it doesn't intend to pass that saving on to the consumer nor use it to extend the life of the bread subsidy, due to expire on February 28.

But Nick Alberts, deputy director of the Chamber of Baking, and Lyn Morris, president of the Housewives' League of SA, remain unconcerned.

"Let them import the wheat and land it first before there is any talk about cost savings," Alberts says. "Before, all sorts of quality complications have arisen. By the time we found the wheat we were looking for, its landed cost was more than the price of local wheat."

Morris says government made money in the past out of importing wheat but it also lost money when the landed cost was higher than the price of local wheat.

"I have been told the intention is to buy forward for delivery in May-June. There are many ifs and buts. We don't know how strong the rand will be against the dollar. They could find that imported wheat lands at R500/t if the rand falls. We are not sure of the intention of the government."

WHEAT IMPORTS

③ wheat F/M 9/11/90

CHEATING THE CONSUMERS

Once again, government is proving that in SA's inflexible and bureaucratized agriculture sector, consumers count for little.

Last week, government raised the bread price by 15c a loaf — to R1,20 for white bread and R1,05 for brown. But while consumers are reaching deeper into their pockets, wheat farmers and government are quite well taken care of.

When government hiked the bread price, it also awarded a 15,6% increase to wheat farmers. So now locally produced wheat will fetch R520/t, far above the R310/t landed cost of imported wheat.

Luckily for government, there's a drought, so SA may need to import as much as 1,3 Mt of wheat this season to meet the country's 3 Mt annual requirement. Government will import the wheat at the world price but sell it to local millers at the artificially high SA price that it set last week. Its projected profit — at least R275m.

Even in these recessionary and inflationary times, don't expect any of this windfall to find its way into consumers' pockets. The entire sum, which may be higher than four times the entire government bread subsidy of R65m this year, will stay in government coffers.

Buyer's market in Chicago

These calculations are still provisional because the size of the final wheat crop will not be known until January. And government's profit will also depend on when it decides to buy or hedge on the Chicago grain market. What is known now is that the drought has decimated the local crop.

Wheat Board chairman Eddie Pienaar says the recent official wheat crop estimate of 1,9 Mt may be reduced to 1,7 Mt, based on his observation of conditions in the parched Orange Free State wheatfields.

SA's wheat demand is estimated at 2,4 Mt this year, with another 600 000 t needed as a three-month emergency supply. The shortfall, about 1,3 Mt, could cost the State about R400m. But, happily for government, Chicago wheat prices have been plummeting since January — the result of record global crop estimates — and could fall further, says Holcom Futures' Lyndsay Williams. The current Chicago price is the lowest since July 1987, he adds.

Williams says government should quickly hedge its minimum purchase because the market has already discounted the record crop estimates and could bottom out shortly, he believes. "It will save SA foreign exchange if government hedges now, while prices are so low."

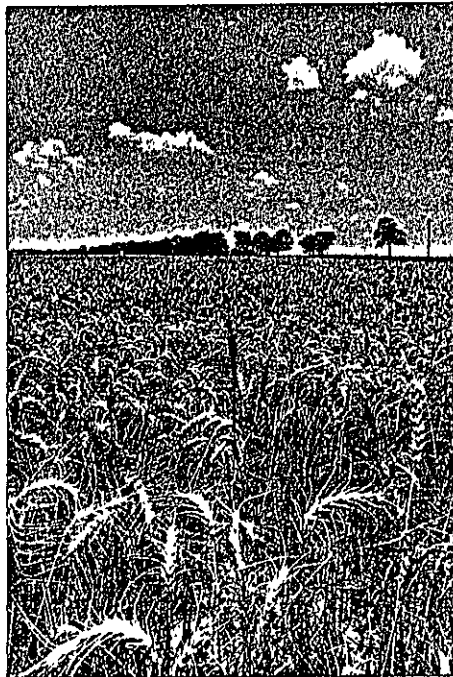
But National Marketing Council chairman Andrew Wium notes that it is not gov-

ernment policy to hedge. "We will wait for final crop estimates and then buy forward."

Another irony of the restrictive, one-channel wheat marketing system (due to be phased out by April) is that it allows the Wheat Board to squeeze millers and consumers in ways that were not disclosed in last week's announcement.

For, while Pienaar announced a basic 15,6% wheat price increase, he did not mention that the new price of R520/t will be hiked, *each month*, by another R7,15/t. On top of this, the millers must pay the levy for the grain co-ops — which was increased by 39% to R89,06/t — and the board's stabilisation fund levy of R23/t and railage costs of R32,59/t.

So, if millers buy their wheat from the board next July to October, they will have to fork out an average of R642/t — or R122/t more than the announced "basic selling price for the 1991-1992 season." Also, government will sell its cheaply imported wheat to the milling industry at these inflated prices,



SA's wheat price ... is the sky the limit?

which could, as the wheat price ratchets up, increase its overall windfall to more than R400m.

Wium defends this practice, saying it is State policy to import basic foodstuffs when necessary and take whatever losses or profits result. This policy applies to all State departments — especially since the abolition of dedicated funding for individual departments, he says. So until the agriculture sec-

tor is radically freed up, world prices will bear little relation to what local consumers pay.

Arnold van Huyssteen

IMPORT SURCHARGES



REMOVING A BARRIER

F/M 9/11/90
Import surcharges wreak havoc with exporters trying to stay competitive, push up inflation and present an administrative nightmare for business. Now comes the strongest signal yet that they will soon be scrapped.

Trade & Industry Minister Kent Durr told the Italian-SA Chamber of Trade and Industries last week that the two-year-old import surcharges have achieved their goal of cutting imports while the balance of payments was under threat. Now they must go.

Moreover, he says Finance Minister Bar-end du Plessis apparently shares this view. "He may allude to them in his next Budget speech. They are no longer needed and will damage the economy in the long term. We now have fiscal discipline as never before, and when the economy grows, it will grow on sound principles."

Winning Du Plessis' consent is a major hurdle because the surcharges — tacked on top of tariffs — raised around R2,5bn for State revenue last year. The surcharges have already been dropped on Hungarian imports and other countries are clamouring for equal treatment (*Business* August 31).

Durr, who promises that the entire SA tariff book will be updated following the recent completion of an Industrial Development Corp investigation, says surcharges are also hindering his efforts to attract foreign investors.

In particular he is after Italian industrialists. Italy is SA's largest export market in revenue terms — purchases are mostly gold and other raw materials. So Durr is eyeing beneficiaries of raw materials, such as the jewellery industry and companies that make ceramics, chemicals, clothing, machinery and machine tools.

He believes that the Italian economy, based partly on small factories producing sophisticated goods, and the SA economy, which relies heavily on the export of raw materials, complement each other. The benefit to SA would be the expansion of its industry and the export of more value-added items. The benefit to the Italians would be gaining the advantage of SA as a springboard into Africa, proximity to the raw materials they need and the ability to export duty-free to Lesotho, Swaziland, Namibia and Botswana.

Durr has done a lot of wooing of Italian

SOWETAN

Building the Nation

FRIDAY NOVEMBER 2 1990

MORNING FINAL

All art

Bread price rockets

THE price of bread has been increased by 15 cents a loaf with effect from today, Minister of Agriculture Mr Jacob De Villiers announced yesterday. The retail price of white bread has been increased from R1.05 to R1.20 a loaf and that of brown bread from 90

cents to R1.05. The Minister, speaking at a Press conference in Pretoria, also announced that the basic selling price of wheat has been increased from R450 to R520 a ton - an increase of 15,6 per cent. It is believed black consumers will be hardest hit by the price rise.

(3) Went Sowetan 2/11/90



Meadowlands schoolchildren Chriselda Mashiane, her sister Degracla, Gertrude Katane and Princess Ntsoseng enjoying their lunch yesterday before the price of bread increased by up to 15 cents a loaf. Pic: MOFFAT ZUNGU

Govt 'forced' to raise bread price

Blog 2/11/90

3 wheat



GERALD REILLY

PRETORIA — The prices of brown bread and white have been increased by 15c a loaf from today, Agriculture Minister Jacob de Villiers announced yesterday.

At a Press conference in Pretoria he said this would bring the price of a brown loaf to R1,05 and of a white loaf to R1,20.

And the price of A1 wheat for domestic consumption had also been increased by 15,6% to R520 a ton. The producer's price had been fixed at R515 a ton.

Government, said De Villiers, was distressed it had to raise the prices by so large a margin, but to have maintained current prices for the rest of the financial year would have cost another R80m "and this we could not afford".

Control

Housewives' League president Lyn Morris asked the Minister whether, if chaos developed in the bread market when controls were lifted next year, he would consider "being some sort of watchdog" for consumers.

If need be, she suggested, he could re-introduce some form of control to prevent bread becoming an unaffordable commodity. De Villiers stressed price control was out. "We are aiming at getting the full market forces to work and to restructure the economy into a more competitive situation."

De Villiers said if requests from millers, bakers and retailers for higher margins had been agreed to, the bread price rise would have been considerably higher than 15c a loaf. The increase had been kept to an

absolute minimum.

On the lifting of controls on bread and flour prices from the end of February next year, De Villiers said sound competition should put a damper on future price increases. He stressed the bread price was a maximum price and appealed to bakers and supermarkets to keep prices as low as possible.

De Villiers said the bread subsidy had failed to benefit fully the people it was intended for.

Government was now investigating how relief from high prices could be given more directly to those who most needed it.

He said a poor wheat crop was expected this year and for the second consecutive year the crop would be too small to provide for local needs.

Imports would therefore be necessary.

This was why the basic selling price of wheat was raised from R450 to R520 a ton.

Wheat Board chairman WE Pienaar said the average annual wheat selling price increase over the past five years had been 9,6%, compared with an average increase in the food and consumer price indices of 14,3% and 16,8% respectively.

Consumer Council director Jan Cronje said government must spell out urgently what alternative relief consumers could expect when subsidies were abolished next year. He reacted to the higher bread price.

It was a major setback for consumers in a situation of increasing unemployment and continual price rises. He feared a further bread price rise when the subsidy disappeared.

Joint Announcement By

NEW WITS LIMITED



Bread price set to rise by 15c a loaf today

PRETORIA — A bread price increase of 15c a loaf is expected to be announced later today by Agriculture Minister Jacob de Villiers.

It is understood that the Cabinet approved the hike at its meeting yesterday. Two major reasons for the price hike are a likely increase in the producer price of wheat, which is also likely to be announced today, and bigger margins for the baking and milling industries.

The industries' claims were greatly

GERALD REILLY

strengthened by the fuel price hikes in September and last month.

Meanwhile, drought in the Free State and in the western Cape growing areas is having a devastating effect on this season's wheat crop.

The Wheat Board has said the September crop estimate amounted to 2,4-million tons.

However, this would have to be drastically amended because of the adverse

weather conditions during October. Some sources are speculating the crop will fall below 2-million tons against a domestic need of 2,3-million tons.

And if this happens, wheat will have to be imported at a high cost for the second season in a row.

Last season nearly 500 000 tons had to be imported at a cost of about R240m to supplement the small local crop and to make provision for contractual supplies to other southern African countries.

Bread price jumps by 15c

By PAT SIDLEY

THE bread price rises today by 15c, which means consumers now pay R1,05 for a loaf of brown bread and R1,20 for a white loaf.

Price controls and the bread subsidy will no longer apply by the end of the financial year. By this time next year, with price controls gone, the subsidy removed and Value Added Tax on all food, the price of a loaf of bread may well be R2.

The 15c rise was announced yesterday by Agriculture Minister Jacob de Villiers, who blamed current increases on the price of wheat, a failed wheat crop and baking and milling margins.

The rise, following recent increases in milk and maize prices, will severely hit millions of South Africans who live on or below the "bread line".

Bread consumption patterns show that when the subsidy reduces the price of brown bread relative to white bread,

consumption goes up. When the bread price is high, people at the lower end of the market switch to mealie meal.

De Villiers said he hoped competition would keep prices down — but this has not happened in the dairy industry.

The minister also said the government would make an announcement into the investigation into poverty and food intervention programmes would soon be made. It is understood the government has considered implementing a system of subsidising charities directly, instituting food kitchens and food stamps.

At least two major supermarket chains will keep down the price of bread for the time being. A Pick'n'Pay representative said yesterday the group would hold its prices for the next two weeks. And a Checkers representative said the store's price of brown bread would be maintained at 90c until the store's personal bread subsidy runs out.

Fears that bread will go up 10c

^{4/10/90}
by GERALD REILLY

PRETORIA — Bread was expected to cost an average 10c a loaf more from the start of the wheat season on November 1, sources said yesterday. (3) ^{wheat}

The Wheat Board met yesterday and was expected to recommend an increase in the producer price to Agriculture Minister Jacob de Villiers soon.

Because of the constantly escalating input costs, an adjustment in the producer price was virtually inevitable, the sources said.

It was expected that the margins of the baking and milling industries would also be raised from November 1.

This year's R65m bread subsidy was insufficient to maintain current bread prices.

The current producer price was about R440 a ton. This could rise to almost R500 a ton.

Another bread price rise in the first quarter of next year was certain to follow the scrapping of the bread subsidy in the 1991/2 financial year, they said.

Bread price set to rise next month

³ Wheat
PRETORIA — The bread price is expected to rise between 10c and 15c from November 1, the start of the new wheat season, say informed sources.

A major reason that will be put forward for the rise is the expected increase in the price of wheat.

Earlier in the month the Wheat Board recommended a substantial increase in the producer price, it is understood.

The recommendation is now with Agriculture Minister Jacob de Villiers.

An announcement of the Cabinet decision is expected before the end of the month. ^{B/Dam 23/10/90}

It was pointed out that in the past season input costs had been boosted by continuing high interest rates, increases in the price of fertilisers and pesticides and labour costs, among other factors.

Sources said the justification for a solid producer

GERALD REILLY

price hike was strong.

It was noted that the board's recommendations were made before the announcement of the fuel price increases.

Another major factor in determining the new bread price, aside from the fact that the R65m subsidy pool was virtually empty, was the need for margin adjustments for the baking and milling industries.

The new fuel price, it was stressed, would shrink margins significantly.

Another bread price rise was certain in the first quarter of the new year.

The bread subsidy was to be abolished from the end of February and no provision for extending it would be made in the Budget, sources said.

At the same time, control on bread and flour prices would be lifted.

Miner who lost hands after blast claims R1,8m

^{B/Dam 23/10/90}
PRETORIA — A miner, who lost both hands after a methane gas explosion at a Secunda coal mine four years ago, is claiming more than R1,8m in damages. His face was badly burned.

Barend Johannes Nicholaas van Rooyen, 34, of Perina Park, Pietersburg, is claiming R1 895 994 from Secunda Coal Mine and seven of its employees in the Pretoria Supreme Court.

In terms of a draft order, Secunda Coal Mine and the seven employees of Middle Bult mine were ordered to remunerate Van Rooyen through a joint agreement.

The action for the total amount of damages was postponed indefinitely, but according to legal representatives of the parties, the parties are negotiating a settlement.

Van Rooyen's claims follow a methane explosion on April 29 1986 at the Middle Bult coal mine in Secunda.

According to the claim sheet, the accident was caused by the negligence of mine manager Frederick Samuel Mordig Globbelaar and underground manager Petrus Jacob van Zyl.

Van Rooyen, a father of three, sustained severe burns to his face, hands and thigh.

His left hand was amputated above the wrist. His remaining fingers were also amputated.

He underwent 16 operations between April 1986 and January 1987, and requested amputation of his left hand as he felt it was a useless appendage.

According to a medical-legal report, he is unable to care for himself and unable to work. — Sapa.

Star 30/10/90

Bread price to rise this week

The price of bread — as well as wheat — will increase this week.

Sources speculate that the price of brown and white bread will rise by at least 10c a loaf but have not discounted the possibility of a 15c increase, particularly for white bread. The official price at present is 90c a brown loaf and R1,05 for white. — Staff Reporter.

St 31/10/90 (3 wheel)

Wheat farmers wait for 'manna'

By Norman Chandler
Pretoria Bureau

Soaking rains over the next few days were needed to save this season's wheat crop, Eddie Pienaar, chairman of the Wheat Board, said in Pretoria yesterday.

Mr Pienaar said conditions had not been favourable for the crop and he doubted whether the harvest would realise 1,7 million tons — as

against consumption of 2,5 million tons.

Last year the crop was 1,98 million tons country-wide.

Andries Liebenberg, of the Wheat Board, said that a lot depended on climatic conditions.

But Mr Liebenberg said he was confident that a survey to be undertaken in mid-November would provide more information on the state

of the crop yield.

"Certainly we are worried because of climatic developments in major productive areas," Mr Liebenberg said.

Tomorrow the Wheat Board is to announce new prices for bread as well as for wheat.

There is speculation that the price of brown bread will rise by 10 c and that of white by as much as 15 c.

Wheat price rise sought

③ Wheat
GERALD REILLY

PRETORIA — The Winter Grain Producers Organisation has asked the Wheat Board for a 20% increase in the domestic selling price of wheat to R540 a ton for the 1990/91 season.

The organisation's chairman Japie Neethling warned that wheat producers alone could no longer bear the burden of providing cheap bread for consumers. *6/10/90 25/9/90*

He said the increase, other factors remaining constant, meant a 6c a loaf increase for brown bread (6,32%) and a white bread increase of 7c (6,67%).

However, sources say other factors will not remain constant. This year's R65m bread subsidy pool has virtually run out of funds, for example.

Large rise in bread price 'likely next year'

PRETORIA — The price of bread could rise to R1,50 a loaf from the start of the 1991/92 financial year when the bread subsidy was totally phased out, sources warned yesterday.

But a large rise is also likely from the start of the new wheat season on November 1.

A Wheat Board source said that after February 28 next year, control over the price would be lifted and millers, bakers and retailers would set their own levels.

6/10/90 15/11/90
GERALD REILLY

The November increase is likely because of a probable adjustment in the producer price of wheat and adjusted margins for bakers and millers.

However, relief for the low income consumer is being considered and government's food strategy committee is due to report before the year's end.

It is expected to recommend a system to cheapen basic foods for the poor.

Off to market

Next March, the bread subsidies, which cost government more than R250m a year at their peak, will finally end. ^{③ wheat}

The good news is that this will usher in an era of deregulation and competition that will see the price of government bread and flour and the profit margins of millers and bakers set by the market, not government. ~~③~~

But what the impact will be on the price and supply of bread, not to mention the effect on the income of bakers, millers and

FINANCIAL MAIL JULY 6 1990

farmers, is anybody's guess. This type of uncertainty is the inevitable consequence of removing the type of price distortions that subsidies create. ~~③~~

Bakers, for one, have been forced to take wafer thin margins, often as low as 1c a loaf, and they look set to capitalise once the bread price is decontrolled. ~~③~~ ^{③ wheat}

Says Fedbake's Johan Brand: "It would be naive to expect an extended price war between bakeries when price control ends because there isn't much to cut. In urban areas that are located near bakeries, the price might come down. But in more remote towns, the price can only go up."

He is also sceptical about claims that additional companies will bake government bread once the regulation that restricts production to only six licensed bakers is removed. "A bakery would cost at least R10m to build. Are chain stores going to make that kind of investment for the returns that standard bread brings?"

But Pick 'n Pay chairman Raymond Ackerman is determined to enter the market. "We won't be able to bake all our requirements, but it would be a disaster if we still had to buy from Bokomo, Fedfood, Premier and Tiger, who would be in a position to push up the price and take the public to the cleaners."

Ackerman maintains that if the chain can bake 30% of its requirements, it will have sufficient leverage over the bakeries to keep bread prices down.

Johan van Zyl, professor of agricultural economics at Pretoria University, predicts that the price of bread will go up in the short term. "Bakeries have been allotted their own geographical areas, so there's no competition. But, if these bakeries are seen to be making reasonable profits, then competitors will enter the market."

Checkers MD Serge Martinengo says his chain has no plans to set up a factory-sized bakery. "Once the effects of deregulation have been worked into the system, I'm confident that the price will stabilise, as has been the case with milk." The milk price was decontrolled in 1983 and since then the price has fallen sharply in real terms.

Martinengo predicts that the government loaf will lose its dominant position when it is unsubsidised and taxed like all other bread. "There'll be a lot more diversity of shapes and sizes and there'll be branding of bread from different bakeries."

Premier Foods MD Willem de Kock confirms that Premier plans to push branded sliced and wrapped bread.

A warning comes from Wheat Board GM Ivan Hemingway, who says competition could drive some bakers out of the market. He points out that Spillers withdrew from the market in the UK because of low margins.

Of course, if this deregulation is successful, Hemingway's fears will come true. Competition is all about the removal of inefficient producers and that will tend to hold prices down. ■

FINANCIAL MAIL JULY 6 1990

Wheat men fear end of subsidies

3 wheat

GERALD REILLY

PRETORIA — Wheat producers and the milling and baking industries are concerned that abolition of the bread and flour subsidies at end-February next year will mean higher prices and a substantially decreased demand for wheaten products.

SA Agricultural Union (SAAU) economist Koos du Toit says that if basic foods are not excluded from VAT — and government has indicated they will not be — this and the subsidy loss could send the price of bread and other wheaten products soaring. 810am 6/7/90

Price control on bread and flour will fall way from March.

According to the SAAU, producers fear the scrapping of price controls could adversely affect the amount of wheat milled.

In an effort to counter the probable adverse effect of VAT and removal of subsidies the wheat board is planning an advertising and promotion campaign.

This will be aimed at stimulating demand for bread particularly — but also for other wheat products — before the sharp increase in prices becomes necessary.



U-Control Limited

CONTROL LIMITED

Incorporated in the Republic of South Africa

ANIES

Construction of Tiger Oats meal mill has begun ^{(3) wheat}

By Day 18/7/90

CONSTRUCTION of the largest maize and wheat processing mills in the country — Tiger Oats's new R85m mill in Maritzburg — began earlier this month, a company spokesman said yesterday.

The mill, adjacent to the company's existing Meadow Feeds Mill, will have the capacity to process 43 tons an hour.

It will be phased into operation slowly and be fully operational as an automated, computer-controlled facility incorporating state-of-the-art technology and equipment by 1992.

It was too early to say how big the workforce would be, the spokesman said.

It will include silos, a mill building, bulk storage for finished products, a warehouse for bagged products, offices and ablution blocks and workshops.

"Maritzburg was an obvious site for the mill because it is central to our market.

MANDY JEAN WOODS

The Maritzburg-Durban corridor is the fastest growing area in SA.

A lot of the group's baking capacity is located in Natal and it therefore also made sense to locate new flour milling capacity there."

The new mill, in the planning stages for the past year, will help increase wheat milling capacity to meet the continued growth in the wheat market and high capacity utilisation at existing plants.

The new mill will also alleviate space pressure on the maize mill at Maydon Wharf in Durban.

"It has been operating since the turn of the century.

"Loading and despatch facilities are limited, and the property does not lend itself to a major upgrading.

"The new mill will have no immediate effect on the future of the Maydon Wharf mill," the spokesman said.

IN BRIEF

THE NEWS LAST NIGHT

Wheat Board's crop estimates fall (3) Wheat

■ THE Wheat Board's provisional estimate of this year's crop is 2,4 million tons, or just over the annual domestic consumption. Last season's estimate was 3-million tons, but only 1,69-million tons of wheat was harvested.

Wheat Board chairman Eddie Pienaar said the lower estimate this year could be ascribed to various factors: less wheat had been planted; the crops in the Free State had only just been sown and the unusually wet weather in the Cape.

Wheat 2717 - 2117190

Bread in line for double price rise

PRETORIA — Consumers could be paying 20c a loaf more for white and brown bread by the start of the 1991/92 financial year, when the bread subsidy is to be totally abolished.

Government's firm intention to scrap all food subsidies was confirmed last week by Agriculture Minister Jacob de Villiers.

He indicated the bread subsidy would fall away from April next year.

But before the expected April price adjustment, another price hike is cer-

B10am 25/6/90
GERALD REILLY

tain from November this year.

The subsidy was progressively cut from R150m in 1987/88 to R115m last year and to R60m this financial year.

Wheat Board sources said the R60m would be inadequate to hold prices at current levels until the start of the 1991/92 financial year.

In fact, by November it will have been used up. *B10am 25/6/90*

Also to be taken into account in the price calculation are inflated costs in the baking and milling industries, which will have to be compensated

(3) wheat
fer by margin adjustments and other costs.

Also, the producer price could be raised at the start of the new wheat season in November.

The price will depend on the 1990/91 crop estimate — the smaller the crop the bigger the price.

The price rise in November therefore could be as much as 10c a loaf, authorities claim.

The standard white loaf was increased by five cents to R1,05c and brown by the same margin to 90c from April this year.

w/ M and 22/6/90

Bread increase means less food for the indigent

By PAT SIDLEY

WITH BREAD prices set to rise steeply, the poor will eat less. Figures released by the Wheat Board illustrate that when the price of bread increases and the subsidy is decreased, less bread is bought.

And when the poor cannot afford bread, they switch to mealie meal -- which will have the new Value Added Tax (VAT) added to it when it is introduced. VAT will replace the GST.

In the near future, bread subsidy on bread is to run out, VAT will be placed on all foods, including bread and price control on bread is likely to end.

According to government sources it is likely that plan to feed the poor is likely to be a system of giving subsidies to existing charities and feeding schemes.

There will be no vouchers or food stamps as the system is too complicated and expensive to introduce and monitor.

All this bodes ill for the poor who already have no price control or subsidies on other basic foods such as mealie meal, milk, cheese, meat or eggs.

It is the government's oft-stated policy to do away with subsidies and to deregulate various industries — and now it has stated that it is to introduce VAT on all goods. ³ wheat

According to the Wheat Board, when the subsidy on brown bread has dropped and the retail price has consequently risen, the consumption drops. For instance in 1989, when a loaf of brown bread cost 69c the subsidy was dropped from 13c to 6c causing a rise in the price to 76c.

SA to import wheat from Canada

ACHMED KARIEM

SA IS to purchase 30 000 tons of Canadian spring wheat for shipment in August to supplement local requirements, Wheat Board GM Ivan Hemingway said yesterday.

In an interview, he said it was made necessary by a deficiency of 400 000 tons for the 1989/90 season.

SA tendered for 60 000 tons — equal shipments for August and September.

Hemingway said SA's normal requirement was 2.3-million tons to keep the status quo, whereas the crop for the season (from November to the

following October) was 1.96-million.

Hemingway said the board would now not be importing the shortage of 400 000 tons for the 1989/90 season on behalf of the SA government to meet local requirements. *Day 8/6/90*

"Instead we will import only 200 000 tons and it means we will reduce our trading stock by one month," he said.

It was usual practice to maintain three months of trade stock, he said.

ment of this year's...
claims or agreements.
"The subject is emotionally so sensi-

lights.
The ideal of a new nation had only
been born recently, he said.

R100m wheat imports to SA expected

SA WILL spend more than R100m on wheat imports this year to supplement local supplies.

It is understood the Wheat Board has accepted tenders for the import of 200 000 tons. (3) wheat

At current international market prices, the landed cost a ton in SA is estimated to be about R500. This is approximate to the price millers pay the board for local wheat.

And although the price of imports is not expected to affect costs, another increase in the bread price from the start of the wheat season in November is certain, according to board sources. 610am 2/15/90

GERALD RIELLY

The sources said this was mainly because of the big cut in the bread subsidy in this year's budget from R115m to R65m, in line with government policy to phase out the bread subsidy completely. (2) 200

By November the R65m is expected to be all but used up.

Other factors making a bread price rise certain are the likelihood that producer prices will be raised from November, and the inflated costs of millers and bakers since the last bread price rise earlier this year when it went up 5c a loaf.

Tough year for Tiger

Tiger Oats has had a rough year with earnings increasing by only 13 percent for the six months to March, which is below the inflation rate.

Attributable earnings to shareholders for the period were R120.8 million compared with last year's R106.5 million.

Earnings per share were 86.9 cents (76.9 cents) while an interim dividend of 22 cents (19.4 cents) was declared. Turnover was R3.2 billion (R2.7 billion), a 17 per cent increase on last year's figure. — Sapa.

National service: doctors

285. Mr M J ELLIS asked the Minister of National Health and Population Development:

- (a) How many fully qualified doctors currently completing their military service are being used in public hospitals, (b) at which hospitals are these doctors stationed and (c) in respect of what date is this information furnished?

B730E

The MINISTER OF NATIONAL HEALTH AND POPULATION DEVELOPMENT:

Hansard 27/4/90

- (a) 7 doctors,
 (b) 2 doctors at J G Strijdom Hospital
 2 doctors at Ga-Rankuwa Hospital
 1 doctor at Scottsburg Hospital
 1 doctor at Harding Hospital
 1 doctor at H F Verwoerd Hospital
 (c) 4 April 1990.

Bread subsidy

314. Mr B B GOODALL asked the Minister of Agriculture: ^{(3) Hansard}

- What bread subsidy was paid by the Government for each of the latest specified five years? B794E

The MINISTER OF AGRICULTURE:

- 1985/86 — R180,497 million Hansard 27/4/90
 1986/87 — R147,000 million
 1987/88 — R147,370 million
 1988/89 — R132,000 million
 1989/90 — R105,935 million.

Own Affairs:

Provincial public libraries: identification/ functioning

71. Mr W U NEL asked the Minister of the Budget and Local Government: Hansard 27/4/90
- (1) Whether the identification and functioning of provincial public libraries has been finalised; if not, why not; if so, (a) which provincial public libraries were identified as White own affairs, (b) why were they so identified, (c) when were they trans-

HOUSE OF ASSEMBLY

ferred to his Department and (d) who took the decision in this regard?

- (2) who will be responsible for (a) ordering and (b) buying books for such libraries? B618E

The MINISTER OF THE BUDGET AND LOCAL GOVERNMENT: Hansard 27/4/90

- The same question was put to the Minister in the Office of the State President charged with Administration and Broadcasting Services in 1988 as general affairs question 890(2) and answered by him — vide Hansard No 12/88. (Cols 1187-1188).

Certain areas: residence permits

111. Adv J J S PRINSLOO asked the Minister of the Budget and Local Government:†

- (1) How many persons were granted residence permits in terms of the Group Areas Act, No 36 of 1966, from 1 June 1987 up to the latest specified date for which statistics are available to live in White residential areas in the parliamentary constituencies of (a) Helderkruin, (b) Florida, (c) Maraisburg and (d) Roodepoort;

- (2) in respect of what date are these statistics furnished? Hansard 27/4/90 B763E

The MINISTER OF THE BUDGET AND LOCAL GOVERNMENT:

- (1) Statistics are kept for White declared areas, but not in respect of parliamentary constituencies. For the area of Roodepoort no residence permits were issued.
 (2) 21 July 1989 to 5 April 1990.

Group Areas Act: vacating of premises

112. Adv J J S PRINSLOO asked the Minister of the Budget and Local Government:† Hansard 27/4/90
- (a) How many persons who occupied premises in conflict with the provisions of the Group Areas Act had terminated their occupation of such premises in (i) the Transvaal, (ii) the

Orange Free State, (iii) the Cape Province and (iv) Natal as a result of action taken by departmental groups for group area matters, excluding Police action, as at the latest specified date for which statistics are available and (b) in respect of what date are these statistics furnished?

- The MINISTER OF THE BUDGET AND LOCAL GOVERNMENT:
- (a) (i) 10
 (ii) Nil
 (iii) 9
 (iv) Nil
 (b) 21 July 1989 to 5 April 1990.
 B764E

HOUSE OF ASSEMBLY

RAADSKENNISGEWING 19 VAN 1990

REGSTELLINGSKENNISGEWING

RAAD OP BESOLDIGING EN DIENSVoor-
DELE VAN STADSKLERKE

Ek, Hermanus Hendrik Steyn Venter, Sekretaris van die Raad op Besoldiging en Diensvoordele van Stadsklerke, handelend kragtens magtiging deur die gemelde Raad aan my verleen ingevolge artikel 8 (2) van die Wet op die Besoldiging van Stadsklerke, 1984 (Wet No. 115 van 1984), wysig hierby Bylae A by Goewermentskennisgewing No. R. 1153 van 29 Mei 1987 deur—

(a) die woord "Cookhouse" waar dit in die kolom vir die Kaapprovinsie onder Graad 3 voorkom, te skrap; en

(b) die woord "Cookhouse" na die woord "Cathcart" in die kolom vir die Kaapprovinsie onder Graad 2 in te voeg.

H. H. S. VENTER,
Sekretaris.

(4 Mei 1990)

RAADSKENNISGEWING 20 VAN 1990

KORINGRAAD

WINTERGRAANSKEMA.—REGERING-
SUBSIDIE

Hierby word ingevolge die bepalinge van artikel 60B (3) van die Bemarkingswet, 1968 (No. 59 van 1968), vir algemene inligting bekendgemaak dat die Koringraad, genoem in artikel 6 (1) van die Wintergraanskema, afgekondig by Proklamasie No. R. 162 van 1974, soos gewysig, subsidie betaal op—

(1) witbrood, bruinbrood en volkoringbrood om die koste van genoemde produkte vir die verbruiker te subsidieer; en

(2) bruinbroodmeel en volkoringmeel in verpakings van 5 kg en kleiner om die koste van genoemde produkte vir huishoudelike gebruik te subsidieer en nie om die koste van genoemde klasse meel vir die vervaardiging van produkte vir die handel te subsidieer nie.

Die bogenoemde klasse brood en meel is omskryf in Goewermentskennisgewing No. R. 1981 van 30 September 1977, soos gewysig.

I. C. HEMINGWAY,
Hoofbestuurder: Koringraad.

(4 Mei 1990)

BOARD NOTICE 19 OF 1990

RECTIFICATION NOTICE

BOARD OF THE REMUNERATION AND SERVICE BENEFITS OF TOWN CLERKS

I, Hermanus Hendrik Steyn Venter, Secretary to the Board on Remuneration and Service Benefits of Town Clerks, acting herein by virtue of authority granted to me by the said Board in terms of section 8 (2) of the Remuneration of Town Clerks Act, 1984 (Act No. 115 of 1984), hereby amend Annexure A to the Government Notice No. R. 1153 of 29 May 1987 by—

(a) the deletion of the word "Cookhouse" where it appears in the column for the Cape Province under Grade 3; and

(b) the insertion of the word "Cookhouse" in the column for the Cape Province under Grade 2 after the word "Cathcart".

H. H. S. VENTER,
Secretary.

(4 May 1990)

BOARD NOTICE 20 OF 1990

WHEAT BOARD ^{wheat} (3)WINTER CEREAL SCHEME.—GOVERNMENT
SUBSIDY

In terms of the provisions of section 60B (3) of the Marketing Act, 1968 (No. 59 of 1968), it is hereby made known for general information that the Wheat Board referred to in section 6 (1) of the Winter Cereal Scheme, published by Proclamation No. R. 162 of 1974, as amended, pays subsidy on—

(1) white bread, brown bread and whole-wheat bread to subsidise the cost of these products to the consumer; and

(2) brown bread meal and whole-wheat meal in packings of 5 kg and smaller to subsidise the cost of the aforementioned products to the consumer and not to subsidise the cost of these products to the manufacturer of commodities for the trade.

The above-mentioned classes of bread and meal are defined in Government Notice No. R. 1981 of 30 September 1977, as amended.

I. C. HEMINGWAY,
General Manager: Wheat Board.

(4 May 1990)

Werk mooi daarmee.

Ons leef  daarvan.

water is kosbaar

Use it.

Don't abuse  it.

water is for everybody

R55m bread subsidy this year expected to be the last

PRETORIA — This year's R55m bread subsidy is likely to be the last as government cuts itself loose from a system of supporting basic foods at a cost of millions of rands a year, sources here said.

They said a government investigation into food and nutrition strategy, led by former agricultural professor Dirk Smith, is expected to be completed by the year end.

GERALD REILLY

One recommendation is expected to be on how best to lighten the burden on lower income groups after the removal of all food subsidies.

The bread price, taking into account the introduction of VAT and the likelihood that even basic foods

³ wheat will be taxed, could rise by 25c or more from April 1991.

Finance Minister Barend du Plessis's announcement that the bread subsidy has been slashed by R60m to R55m means a substantial price increase is on the cards by mid-year.

Sources said the R55m could hold prices at current levels only for about three months. Last year's R115m subsidy is almost exhausted.

8/10/91 16/3/90

**Bread price
rise mooted**

8/Dec 67 2190
~~By~~ GERALD REILL *wheat*

PRETORIA — At least R300m will have to be set aside in next week's Budget if Cabinet has decided to maintain this year's bread price in the new financial year, according to sources here.

However, government is committed to phasing out food subsidies and the bread price is likely to be raised from April, or at the latest mid-year.

Grain imports on the cards

GERALD REILLY

PRETORIA — SA is faced with the prospect of having to import wheat and maize to supplement drought-ravaged crops. *Byron 28/2/90*

Government has already approved a Wheat Board decision to import wheat and it is estimated about 400 000 tons will be needed to supplement local supplies and another 300 000 tons to make provision for supplying markets in southern Africa.

The cost of importing the 700 000 traditional tons at current international prices would be a huge R350m.

The local crop has been cut down to less than 2-million tons against a local need of about 2,5m tons, which includes export commitments. And, says, Agriculture Minister Jacob de Villiers, the importation of wheat will involve no losses as the local price is on a par with the landed price of imported wheat — about R500 a ton.

Nampo says that if drought and above average temperatures in the western Transvaal and western and eastern Free State continue for another 10 days, damage to the crop could be disastrous in some parts.

At this stage the crop expectation is from 7-million tons to 7,5-million. But this could change dramatically without good rains soon.

The first agriculture department estimate of the crop is expected in mid-March and it could be the lowest in years.

The worst case scenario, according to sources here, is that damage could be so extensive that maize might have to be imported. It all hangs on good soaking rains in the right places in the first two weeks of March.

Wheat imports could run to R150m

GERALD REILLY

PRETORIA — The Wheat Board will have to import up to 300 000 tons of wheat this year to supplement a crop reduced by drought to less than 2-million tons. *8/04 13/2/90*

This is clear from the board's report to the Agricultural Outlook Conference (Agricon), to be opened here today by Agriculture Minister Jacob de Villiers. The imports could cost the country in excess of R150m. *(3) Wheat*

According to authorities, against a background of the report, a bread price hike from April is likely because of government's commitment to phasing out the subsidy.

The current financial year's subsidy of R155m will run out by the end of March.

The wheat industry, the board points out, would benefit enormously if eco-

nomie and political conditions in the country could be stabilised to an extent where unemployment decreased, the inflation rate was kept in check and sanctions warded off.

"However, economic and political instability and the possible rise in the bread price could have a detrimental effect on the expected increase in bread consumption.

"Consumption of standard bread is already declining."

Because of this the bread price should be kept as low as possible.

However, as government had already decided to phase out the bread subsidy by March 31 next year, an increase in the price of bread could be expected, the board adds.

Wheat Board says imports necessary

GERALD REILLY

PRETORIA — Government will be asked to approve the importation of 500 000 tons of wheat, at a cost of nearly R300m, to ensure adequate supplies in the next 12 months.

This was decided at a Wheat Board meeting here after a reassessment of the size of the 1989/90 drought-damaged crop, which has now fallen below 2-million tons — one of the smallest harvests in years. *Board 18/11/90*

And it is likely, too, the Meat Board will have to import beef in the second half of the year to supply the meat manufacturing industry.

Last year 22 000 tons were imported at a cost of about R80m.

Board GM Pieter Coetzee said, however, the industry would be able to meet the demand for fresh meat throughout the year.

Wheat Board deputy GM Andries Liebenberg said decisions on where to buy the wheat and at what price were urgent. But government go-ahead was still needed.

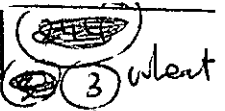
Under current foreign exchange and international market price conditions, wheat could be landed at SA ports for about R540 a ton, before transport costs inland.

Local wheat is sold to millers for R510 a ton. *(3) wheat*

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More prefer white to brown bread



WHEN everybody expects the consumer to complain about the constantly increasing price of white and brown bread - the man in the street has swung away from the cheaper bread to the more expensive super and special breads, claims the SA Housewives' League.

Not so long ago, the price of white and brown bread was increased by 10

Sowetan 12/11/90
cents to R1 and 9 cents to 85 cents a loaf respectively.

These increases were caused by a 12,4 percent increase in the basic selling price of wheat, increases in the margins of the milling and baking industries and a one cent a loaf increase to four cents for the retail trade.

The league says these high increases on basic

foods will affect many people who are battling to feed themselves and their families.

"However, one or two facts must be noted.

"A few years ago, standard bread consumption was of the order of 70 percent brown and 30 percent white bread.

"The gap between the two narrowed and early last year, it was 50/50

percent.

"As the new increased prices were announced, the consumption figures were 48 percent brown and 52 percent white bread.

"This represents a very considerable swing away from the cheaper bread."

The organisation said that coupled to this, was the fact that super and

special breads are increasing in sales and here prices are high.

"Before the latest increase, brown bread was within a range of R1,12 to R1,80 and white bread R1,23 to R1,86 a loaf.

Prices include general sales tax and were taken from stores in Pretoria and Johannesburg.

These facts make you wonder, don't they? . . .

AGRICULTURE - WHEAT

1991

③ Wheat
Wheat Board

grants farmers
Star 16/11/91
extra payment

Wheat farmers, whose crops have been devastated by the drought, have received an unexpected bonus from the Wheat Board.

Wheat Board chairman Eddie Pienaar yesterday announced that a supplementary payment would be made to producers for utility grade wheat delivered during the 1990-91 season.

The extra payments will mean that farmers will now be paid R190 a ton for Grade 1 utility wheat and R160 for Grade 2 produce.

The wheat would be used mainly for milling purposes, the board said.

— Pretoria Bureau

Bread price 'will rise again'

PRETORIA — Bread prices were certain to jump by up to 10c a loaf from March, informed sources predicted yesterday.

The bread subsidy — R65m during the current financial year — will be abolished from end-February, and price control on bread ends at the same time.

The price is expected to rise by at least the amount of the lost subsidy.

White bread is subsidised by 3,3c a loaf and brown by 7,9c a loaf.

However, bakers and millers are expected to recover at least part of their increased production costs by further loading prices. Control over the flour price is also to be abolished.

Wheat Board sources say, however, increased competition in the baking industry, following the scrapping of price control, will help minimise price rises.

In November last year the price of bread was increased by 5c a loaf — white to R1,20

GERALD REILLY

and brown to R1,05. ³Wheat ~~is~~
And another bread price adjustment is likely in October with the introduction of VAT. Government has indicated basic foods will not escape the new tax.

Meanwhile, government is expected to make a profit of more than R100 a ton on 700 000 tons of wheat which will have to be imported to supplement the partially failed local crop.

Good quality wheat is plentiful and relatively cheap on international markets and can be landed at SA ports for less than R400 a ton. *BlDam 17/11/91*

The board's selling price to millers is R520 a ton.

Trade and others are pressing government to plough the expected profit back into the industry to benefit consumers.

GRAIN IMPORTS

RINGING UP THE TOTALS

By early next week the Cabinet is expected to give the green light to the Maize and Wheat boards to begin imports of SA's two major feed grains. *FM 18/1/91*

At least 600 000 t of wheat may have to be imported following a sharp drop in this year's drought-stricken wheat crop.

SA, traditionally the world's fifth-largest maize exporter, may also be forced to import up to 2 Mt of maize following the disastrous impact of poor rains in the northern summer-rainfall area on this year's crop (*Business*, January 4). *(3) wheat*

And because much of the season's smaller maize crop was planted late, there is now an increased risk that the late rains may be insufficient to bring the crop to maturity or

FM 18/1/91 (3) wheat

BUSINESS & TECHNOLOGY

that early frost may damage it.

"As wheat and barley cost less to import as animal feeds than yellow maize, government may decide to do this," says a Maize Board official. "But as far as the white maize food market is concerned, we may be forced to buy yellow maize from the US and to mix this with existing stocks."

In view of traditional consumer resistance to mixed maize, the Maize Board would obviously prefer to import white maize. But with Zimbabwe the only other traditional white maize exporter, the Maize Board will

have to await Zimbabwean crop assessments before making any decision. A barter trade deal is possible because Zimbabwe has shortages of capital equipment and foreign exchange.

Meanwhile, following the cancellation of all contracts for the export of last season's maize crop, the Maize Board should have stocks of about 664 000 t of white maize and 590 000 t of yellow by April 30. This compares with the Maize Board's normal carry-over stocks of 630 000 t of white maize and 230 000 t of yellow.

But these reserves should not last much beyond June because normal monthly consumption runs at about 300 000 t for white maize and 250 000 t for yellow. With the current crop expected to be in quite late, imports should commence by May or June. If the Maize Board sticks to its policy of retaining one to two months' consumption in stock, imports could even start by March or April.

"All things being equal, we may have to import up to 2 Mt of maize this year," a Maize Board official estimates. ■

Bread may rise by 10c in March

Star 22/1/91
Consumer Reporter

The price of bread is expected to increase by about 10c when the present bread subsidy and price controls fall away in March.

However, Wheat Board secretary Pieter Nel said plans had been made to limit the increase to the minimum.

The bread subsidy — estimated at R65 million in the present financial year — will be abolished at the end of February. Price control will stop at the same time.

In the first step to a free market system, the minimum price for bread was abolished by the Government in November. Once price control fell away, the price would be determined by the retailer.

The Wheat Board had proposed new standard bread masses, including 400 g and 800 g.

"By decreasing the mass we're trying to limit any price increases (in standard loaves)," Mr Nel said.

The last price increase in November was 15c a loaf, raising the price of 850 g standard loaves to R1,05 for brown and R1,20 for white.

● The Housewives' League has said it is foolhardy to withdraw assistance on a basic food in a time of severe economic depression.

VAT, due this year, would probably add another 10 to 15c to the price.

Board bids to boost buying of bread ^{Star 4/21/91} _{Wheat}

Consumer Reporter

A "Bread Gives Life" campaign has been launched by the Wheat Board, weeks before the lifting of price control, the phasing-out of the bread subsidy and the deregulation of the industry comes into effect.

The national marketing campaign will concentrate on the promotion of bread to the public.

The promotion comes as a result of "the declining per-capita consumption of standard bread and the Government's decision to deregulate

the milling and baking industries, with the subsequent phasing-out of the bread subsidy.

The promotion is being carried out in conjunction with the milling and baking industries.

"Our objectives are to build and develop a positive image and perception of bread in South Africa with specific reference to the role of bread in the provision of a daily diet and to create a climate in which bread will maintain, and even extend, its place in the market," the Wheat Board said.

who would have the final say on what action to take against Pearce.

Bread campaign launched

③ Wheat

GERALD REILLY ^{B10am 5/2/91}

PRETORIA — The Wheat Board and the baking and milling industries have joined forces to counter an expected drop in the sale of wheat products when controls on bread and flour prices are dropped later this month.

A nationwide campaign, "Bread gives life", has been launched to promote increased bread consumption.

Government's bread subsidy will also fall away at the end of the month — a move which is also expected to increase prices.

A Wheat Board spokesman said the campaign was aimed at developing a positive image of bread and its role in the daily diet. It would include prime time coverage on TV, radio and advertising in national consumer magazines.

Sasol commissions plant

SASOL One has commissioned a R55m cresylic acid plant to separate and purify cresols, used in making other chemical products.

This is part of the re-vamp of Sasol One to move it away from synthetic fuel production and into high value added chemicals.

Sasol GM Jan Fourie says that the speedy completion and the fact that

costs were kept within budget, will make a contribution to Sasol's revenue from speciality chemicals. It will also enhance Sasol's position in the world market for these chemicals. Most products will be exported.

The plant was engineered, procured and constructed by Fluor SA.

ZILLA EFRAT

Govt will profit from wheat imports — board

GERALD REILLY (3) wheat

PRETORIA — Government now stands to make a profit of more than R90m on the new imports of 750 000 tons of wheat to supplement a local crop devastated by drought.

The Wheat Board estimates imported wheat can now be landed at SA ports for less than R400 a ton — R120 a ton less than the board's selling price to the trade.

Government sources yesterday declined to say what government intends doing with the R90m profit.

It could be poured into government's general revenue fund or channelled back into the industry to benefit consumers. B.P. 15/2/91

Consumer organisations are pressing for the funds to be used to reduce the expected bread price hike which will follow the scrapping of bread and flour subsidies at the end of this month.

Bread price control will also be lifted from the beginning of next month.

The expectation is that the bread price could rise by 10c a loaf.

The board estimates 100 000 tons of imported wheat will be landed at SA ports next month, followed by another 100 000 tons in April.

Tenders went out yesterday for another 100 000 tons for delivery in May.

Since November demand has fallen and deregulation could have an effect on bread consumption.

③ *Wheat* ②
Standard

bread loaf

Star 2/2/91

may soon

be lighter

Consumer Reporter

The Wheat Board has set guidelines for a lighter standard bread loaf to offset expected increases when the industry deregulates and price control is scrapped next month.

A spokesman for the Wheat Board confirmed yesterday that the present 850 g loaf could be replaced by an 800 g one which would be the same size but of lighter quality.

Control over the mass of bread will be the responsibility of the Department of Trade and Industry from March 1.

Sources have said the price rise could be at least 10c when control falls away. However, the price of such a loaf could be determined only closer to the time.

Housewives League vice-president Sheila Lord said the production of a lighter loaf meant bakers would be "making a saving on the size of the bread, but the saving would not cover the cost of the (dropped) subsidy".

At present the subsidy is 3c for white bread and 8c for brown. Mrs Lord said the league was still opposed to the dropping of the subsidy in the light of the effect it would have on poorer consumers.

"The league is still worried about the cost of food to the poor," she said.

Consumers could pay 10c more for bread

PRETORIA — The bread price could soar by at least 10 cents a loaf after the planned scrapping of the government subsidy and price control on bread today.

Bakers claim they will limit their increase to the retail trade only to ensure the maintenance of existing profit margins.

However, the unknown factor in the free-for-all environment is the reaction of cafe owners.

Their margins have been restricted to 4c a loaf but now they can charge what they like.

The subsidy on brown bread is currently 7,9c a loaf and on white 3,3c.

Because of the fierce competition between supermarkets it is unlikely, says a baking industry spokesman, that there will be immediate steep increases in their prices.

And in a last-minute bid to get

GERALD REILLY

some relief for the poor, the Housewives League will meet Agriculture Minister Jacob de Villiers tomorrow.

Associated Bakeries of SA group marketing manager Graham Simonsen said his organisation — a Premier Milling subsidiary and the largest in the country with a 25% market share nationwide — would increase the price of white bread to the trade from R1,16 to R1,18 a 800g loaf.

Price to the trade of brown bread would rise from R1,01 to R1,05.

Simonsen said Associated Bakeries' increases merely covered the removal of the bread subsidy and the 4% increase in the flour price.

Associated Bakeries had recommended to retailers that mark-ups should be kept to a 10c maximum.

The current mark-up is 4c a loaf. SA Chamber of Baking president S E Ferreira has appealed to bakers, confectioners and cafes to restrain price hikes. (3) Wheat

A Shoprite spokesman condemned the coming increases and called for a reinstitution of control.

The removal of the bread subsidy was a severe blow to millions of needy people and government support schemes had become urgent and crucially important, Checkers Group Managing Director Sergio Martinengo said.

This view is shared by the Consumer Council and the Housewives' League.

Martinengo said Checkers would discount brown bread countrywide at 99c an 800g loaf and white bread at the old price of R1,18 from March 1.

Bread price to stay the same for a while

Sowetan 1/3/91

3 Wheat



THE scrapping of the bread subsidy will not affect prices in the near future as major supermarkets have pledged to try and absorb costs as long as possible, spokesmen said yesterday.

Checkers and Pick 'n Pay plan to sell brown bread for 99c from tomorrow - which is 4c below the old price.

The new prices will be for the new 800g loaf. The previous loaves were 850g.

Checkers will sell a white loaf for R1,10 and Pick 'n Pay customers will pay R1,14, however the weights of the respective loaves in both stores will be reduced by 50g.

Checkers group managing director Mr Sergio Martinengo, said: "Market forces are now dictating to

us and discounting on this important commodity is at last a reality for consumers.

"The removal of the subsidy in a depressed economy is a severe blow to millions of needy people. Government support schemes as a substitute for the abolished subsidy are of crucial importance."

OK Bazaars yesterday indicated it would continue with its programme of selling bread at old prices. A spokesman said their bread prices were R1,50 for a white loaf and R1,05 for a brown one.

She was unable to confirm a reduction or increase if the current prices would be maintained.

A Spar spokesman from Durban said yesterday his group would try to be as competitive as possible with other supermarkets. - *Sowetan Correspondent.*

C

Small retailers seen as wild card in the price of bread

③ wheat

~~11/11/30~~

MARCIA KLEIN

BREAD wholesalers have expressed concern over mark-ups by small supermarkets and corner cafes after the removal of government's bread subsidy and price control on bread last week.

They fear that smaller retailers in areas with little competition might substantially increase their prices, thereby reducing the demand for bread.

Fedfood senior GM Johan Brand said the group was concerned that there were no regulations as far as general trade was concerned. *8/10/41 4/3/91*

Following government's moves, the wholesale price for bread would generally go up from 116c to 118c for white bread and from 101c to 105c for brown bread.

However, Fedfood had found that some retailers were selling brown bread for 130c a loaf and white bread for 140c a loaf since the removal of the subsidy.

If there was consumer resistance to such increases, there would be a dramatic drop in sales which would affect the wholesaler's volumes, as the wholesalers' levels of profitability were volume and not price driven, Brand said.

However, consumer resistance might force retailers to drop prices.

Although the major supermarkets had dropped their prices, Brand said this could only be a temporary measure.

When government agreed that the bread mass could be decreased, it was thought

the price could remain at its existing level. However, factors such as the increase in the fuel price made this impossible, and wholesalers increased their price to recover for the loss of subsidy and to adjust for price escalations, he said.

Premier Food Industries MD Willem de Kok said that to minimise the price impact on the consumer, the reduction in the weight of a bread loaf from 850g to 800g would give the same number of slices and a better quality loaf.

However, the unknown factor was the retailers, who were previously restricted to a margin of 4c a loaf. Now that this had fallen away, they would be entitled to take whatever mark-up they wished, he said.

De Kok said the wholesale price for brown bread would be increased by 6c a loaf, which was lower than the 7,9c subsidy which was removed, and while Premier's profit margins had not been increased, there were interim cost increases for fuel and wages.

Tiger Oats public affairs manager Patrick McLaughlin said the removal of the subsidy would result in increased competition due to overcapacity in the industry, particularly in major metropolitan areas.

"Tiger welcomed the return to a free market system," he said.

**CONSUMER
NOTEBOOK**Edited by
Caroline Hurry

Scrapping of bread subsidy leaves us all three slices short

Star 5/3/91
Consumers, particularly those living below the breadline, are getting crumbed off with the scrapping of the bread subsidy last Friday.

Last year, white bread was subsidised by 3c a loaf and brown bread by 8c, but consumers were warned months ago that the Government could no longer afford to subsidise bread from 1991.

During the last three years, a Government committee has been investigating alternative aid to the poor. However, no report has yet been published on their recommendations.

From March 1, loaves of bread must weigh either 20 g, 400 g, 800 g, 1 200 g or 1 600 g.

This means a standard 850 g loaf is now an 800 g loaf. Consumers have lost three slices per loaf as a result.

Bakers are saving money with the smaller new loaves, but as they no longer receive the subsidy, their income per loaf is reduced.

Originally bakers claimed they would limit their increase to the retail trade to en-

sure the maintenance of existing profit margins.

But, it was announced that the bread price could soar by at least 10c a loaf.

This steep increase is unlikely to occur immediately, due to the fierce competition between supermarkets rather than philanthropy.

Undoubtedly, in certain supermarkets, the price of other food items will increase to make up for profit loss.

However, café owners and grocers whose margins were previously restricted to 4c a loaf, can now charge what they like.

The Housewives League met Agriculture Minister Jacob de Villiers last Thursday to try to get some relief for the poor.

Said president Lyn Morris: "Everybody who bought bread was buying a subsidised product. However roughly 72 percent of our bread is purchased and consumed by the black community who needed the subsidy most. I don't know how they are going to cope."

LANA JACOBSON

Bread price is set to rocket

③ Wheat

THE Chamber of Baking has expressed concern at the deregulation of the bread industry and has established a help-line for consumers.

The chamber said bakers and consumers in the country areas would be hard-hit because they would have to bear the full cost of the transportation of raw materials, which were previously partly subsidised by consumers in urban areas.

This could result in bread becoming beyond the reach of the poor sections of the rural community.

A number of control measures will fall away completely while others will be retained in modified form.

Quality

On the plus side, the consumer can look forward to the development of new products.

He will also have the opportunity to insist on the highest quality and to ensure value for money.

Loaves will have to comply with one of the following masses: 200g, 400g, 800g, 1,2kg and 1,6kg. These specifications will be enforced by the Department of Trade and Industry.

Types

In addition to the termination of the Government's 3,3c subsidy on white bread and 7,9c on brown, the new scenario means that:

* There will only be three broad classes of bread - white, brown and wholewheat;

* There will be no tax;

* Entry to the baking industry will not be restricted; and

* There will be no price control.

For further information, contact the chamber at: (012) 341-7814.

Low bread consumption worries baking industry

THE consumption of standard bread has decreased since the November 1 price increase and the removal of the government subsidy, but has not been followed by a commensurate increase in the consumption of mealie meal — a situation which does not augur well for social stability, baking industry sources say.

And with government's failure to zero-rate standard white bread, which comprises 50% of the bread consumption of the poor, the burden looked set to increase, Premier CE Peter Wrighton added.

More than 80% of the standard bread produced in SA is consumed by the poor, with an equal preference between white and brown. The baking industry is expecting a change in buying habits after the implementation of VAT, but some members are still dissatisfied about the distinction between white and brown bread.

However, Tiger Oats public affairs spokesman Patrick McLaughlin said the distinction between white and brown bread

GILLIAN HAYNE

was government's way of continuing with its previous subsidy — which was much higher on brown bread than white — and as such the group believed it was a good move.

He said an estimated 35% of the expenditure of the lower income population was spent on food, and the extension of the zero-rating to maize meal and maize-based cereals was welcomed.

Wrighton expressed concern that the R220m voted for food assistance would be swallowed up in administration and not reach the people it was intended to help.

He also noted that R220m seemed an inadequate amount in the light of the substantial profit government was making on importing wheat.

Although the industry is disappointed that rice and milk powder will not be zero-rated, it has admitted they are not major staple foods in SA.

● See Page 8

Promoting bread as a versatile product

Southern 25/6/91

Wheat



ONE of the largest bakery groups in South Africa is to donate a supply of bread to welfare organisations and present various

activities to establish bread as the important and versatile consumer product.

Sunbake is to embark

on this project during National Bread Week which started yesterday and ends on Friday.

"Bread makes up such

a large part of everyday life that the baking trade also needs to extend a hand to the community," said the company's product manager Mr Dawid Lombard.

Among the activities the bakery plans for National Bread Week is a competition for consumers to be run from Thursday to August 8.

They will be required to collect Sunbake bread wrappers to win one of the many prizes offered by the bakery.

The object of National Bread Week, which is organised by the Wheat Board, is to establish an enjoyable and versatile part of the daily diet of the population.

The aim is to improve bread consumption.

The price of ~~bread~~ ² wheat may rise

80/eta 25/9/91
THE bread price was likely to rise later this year because of a substantial increase in bakers' input costs, the president of the South African Chamber of Baking, Mr Fante Ferreira, said yesterday.

He said this after the Chamber's annual in-depth cost investigation of a representative sample of 56 commercial bakers.

He said the wholesale price of bread was determined by the price of flour, which constituted 57 per cent of the cost of a loaf, as well as production and delivery costs.

The investigation had shown that production and delivery costs alone had risen by eight cents a loaf, with increasing wages the biggest contributor.

This figure excluded the cost of an increase in the

flour price, which in turn was mainly affected by the rise in the wheat price.

He said it was customary for the Minister of Agriculture to announce a new wheat price in November each year, which, together with expected increases in milling costs, would result in a rise in flour prices.

Ferreira called on bakers to exercise maximum restraint in their pricing policies. - Sapa

ILO 'impressed' by labour developments

B10 aug 25/9/91

VERA VON LIERES

THE International Labour Organisation (ILO) was "impressed" by developments in the SA labour field over the past year and was considering giving SA technical co-operation, Manpower Minister Eli Louw said yesterday.

Louw was addressing a news briefing in Pretoria after a six-day visit to Western Europe and the UK. The aim was to maintain contact with the ILO and to establish contact with tripartite bodies representing employers, the state and unions in the UK, the Netherlands, Germany and Switzerland.

He said the ILO was considering using its experience and information resources in guiding SA labour relations from abroad. At the moment, membership of the ILO was not a high priority, he said.

Louw is the first SA Manpower Minister to have met the British Trades Union Congress and the tripartite Netherland's So-

cio-Economic Advisory Council. The Dutch body impressed him and confirmed "the need for all major players in the labour field to act in unison".

In Geneva, Louw had talks with international trade union secretariats where, he said, it became clear that SA labour legislation compared favourably with the rest of the world.

The political and economic failures of Africa, Eastern Europe and the Soviet Union had generated understanding for the NP's constitutional and economic proposals, he concluded during the visit. One of the main criticisms of the proposals — levelled by trade unions — was that they did not meet the approval of the ANC.

SA could learn from Germany's current success in the upgrading of industries and skills in East Germany, Louw said.

Bakers warn of rise in bread price

③ wheat
GERALD REILLY

PRETORIA — A "substantial" bread price increase had become unavoidable later this year because of soaring input costs, SA Chamber of Baking president Fanie Ferreira said yesterday.

His announcement follows the chamber's annual investigation into costs incurred by 57 bakeries across SA. An industry source said an immediate price increase could be justified. B10 aug

The source said further rises this year could not be ruled out. 25/9/91. However, there was concern in the industry about consumer resistance to rising prices. In the past eight months bread sales had fallen 5% and further rises could accelerate this trend.

The source said a major swing away from white to brown bread was expected when VAT was introduced on Monday. Unless a last-minute concession is made, white bread will be subject to VAT.

There could also be a wheat price rise in November, after a Wheat Board meeting next month to decide on a price recommendation.

Unless there are good rains the current crop could fall below the 2.2-million tons needed for local consumption and wheat imports may be needed.

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ear ended 31 August 1991

Bread price shock for consumers

PAULA FRAY

CONSUMERS are facing a series of price increases that could see the price of a loaf of bread top R2 by the end of the year.

On Monday, the price of white and wholewheat bread rises by 10 percent as a result of VAT. Only brown bread and mielie meal will be zero-rated when the new tax is implemented.

Pass

Some shopkeepers have already said they will pass their increases and 10 percent VAT on to consumers.

Earlier this week the South African Chamber of Baking announced the price of baked bread was "likely to rise later this year due to substantial rises in input costs".

Chamber President Fanie Ferreira said investigations showed production and delivery costs alone had already risen by 8c a loaf with increasing wages being the biggest contributor.

Yesterday, the Winter Grain Producers' Organisation recommended an 18 percent increase in the selling price of wheat. The farmers' request will be sent to the Wheat Board and the Minister of Agriculture. The possible increase in the bread price is an

No haste to save on tax

THE expected rush by shoppers to beat the VAT deadline did not take place yesterday.

Normal sales were reported by the larger chainstores in the northern suburbs but some managers said sales started to drop after 3.30 pm because of the approach of the Jewish Sabbath.

In the western suburbs, especially at Highgate shopping centre, most shops were open until 7 pm. Many customers said they were doing their normal shopping for the month and expressed little concern about VAT.

● More reports on Pages 6 and 12.

● TO PAGE 2.

Bread wheat

● FROM PAGE 1.

added burden for embattled consumers already battered with fluctuating prices after the deregulation of the industry and the dropping of the bread subsidy.

Winter Grain Producers' Organisation chairman Chappie Ferreira said yesterday the group had recommended a basic selling price for wheat of R614 a ton to the Wheat Board for the 1991/92 season. This is 18 percent more than the present selling price of R520 a ton.

While she sympathised with the farmers, Housewives' League president Lyn Morris said the timing of the

announcements was "incredibly insensitive".

Mrs Morris said the farmers' request for an 18 percent increase was now in the hands of the Minister, who would decide before November.

"It is the retailer who decides on the final price," she added.

● There is also growing concern over the effects of VAT on bread. A shopkeeper told Radio 702's Vatline this week his bread price would increase from R1,30 to R1,56 as a result.

He said his present cost price was R1,18 before his mark-up. He had already been informed that the new cost price as a result of VAT would be R1,29. After his normal mark-up this would be R1,42 plus VAT, bringing the price to R1,56.

Bread price rise call insensitive

By Paula Fray
Consumer Reports

Consumer bodies have criticised the "insensitive timing" of calls for increases in the bread price — as shoppers face a 10 percent rise in the cost of white and whole-wheat bread today as a result of the introduction of VAT.

This follows an announcement on Friday that the Winter Grain Producers Organisation had recommended an 18 percent increase in the selling price of wheat.

Star 20/9/97
Last week the SA Chamber of Baking said the price of baked bread was "likely to rise later this year due to substantial rises in input costs".

While she sympathised with the farmers, Housewives League president Lyn Morris said the timing of the announcements was incredibly insensitive.

Mrs Morris said the farmers' request for an 18 percent increase was now in the hands of the Minister of Agriculture.

She said retailers, who made the final decision on the price, would not

necessarily pass on the increases to consumers.

Consumer Union chairman Lillibeth Moolman said there should be a 30c difference in the price of white and brown bread after the implementation of VAT.

The announcements by farmers and bakers could mean an extra 5c and 8c on top of VAT and the retailers' margins, she said.

This was after the size of bread was reduced from 850 g to 800 g when the industry was deregulated and the subsidy dropped.

NEWS IN BRIEF

Wheat price set to rise

THE Winter Grain Producers Organisation (WPO) has recommended an 18% increase in the basic selling price of wheat to R614 a ton from November 1.

The demand will be considered at this week's Wheat Board meeting. WPO chairman Chappie Ferreira says the financial plight of wheat producers has deteriorated to such an extent that a further decline in the real price of wheat could be catastrophic.

12/10/77
#0 19/77
CWA/12

R4,2m in sorghum payouts

PRETORIA. — The chairman of the Grain Sorghum Board, Theuns Swart, announced yesterday the board was to make an ex gratia payment of R4,2m to producers and manufacturers.

Swart said in a statement in Pretoria R1,5m would be paid to producers and R2,7m would go to manufacturers of grain sorghum products "in respect of the imported portion of their purchases".

"The sorghum industry had to contend with big cost increases as a result of a local shortage (owing to the drought) and largescale, rela-

CT 3/12/92 (S) SORGHUM
tively expensive imports.

"The board trusts that with this payment of R15 per ton on all grain sorghum sold, further product price increases will be obviated or softened in the new year."

Swart said the ex gratia payment would be made on all grain sorghum marketed by producers or imported for local use between March and December next year.

He also pointed out that this year's importation programme cost South Africa, especially the sorghum industry, nearly R80m in terms of foreign exchange. — Sapa

**17 cent
bread
hike
likely**

Sometani
23/10/91

CONSUMERS could face a bread price hike of 17 cents a loaf following the 18 percent increase in the farmers' price of wheat approved by Agriculture Minister Dr Kraai van Niekerk. *(3) Wheat*

The Wheat Board announced on Monday that Van Niekerk had approved an increase in the basic selling price of wheat from R624,98 a ton to R687,48 for the 1991/92 season.

The R600,86 a ton, or R660,95 including VAT is not final as there could still be complementary payment later in the season depending on the size of the harvest. *(2000)*

An estimated surplus of 175 000 tons of wheat could be produced in the 1991/92 season, the Wheat Board said in a statement.

South African Chamber of Baking executive director Mr Nic Alberts said the bread price could increase by 17 cents a loaf because of the increase in flour prices.

Most of the increases were less than the amount of the subsidy, Alberts said.

He said the bread price had been controlled until the scrapping of the subsidy, but retailers could now charge whatever they liked. - Sapa.

Consumers reel at bread price threat

Star 22/10/91

By Paula Fray
Consumer Reporter

Consumer groups are reeling at the news that bread could go up 17c a loaf after the news yesterday that the Agriculture Minister had approved an 18 percent increase in the wheat price paid to farmers.

The new wheat price follows the 10 percent VAT-related increase in the prices of previously GST-exempt white and wholewheat bread on September 30.

National Black Consumers Union co-ordinator Cynthia Chabeli said the Government had abdicated from its responsibility to the poor, unemployed and aged by allowing the lifting of price control on bread.

"On the one hand it talks about combating malnutrition while on the other hand it remains silent as prices increase," Mrs Chabeli said.

A price increase on bread, at

this stage, would adversely affect the disadvantaged who were still recovering from the effect of the implementation of value added tax, she said.

Housewives' League president Lyn Morris said that while the organisation had sympathy for the farmer they were also concerned about the lower income groups.

She said the new prices could begin filtering through from November. Consumers should check in-store bakeries where transport costs were cut and see if they could get cheaper prices for their bread, Mrs Morris said.

Consumer Union vice-chairman Aletta Geldenhys said the organisation was "upset" at the possible increases as bread was a staple food.

"If this is going to happen, then the sooner the Government can bring in the targeted poverty relief programme for the disadvantaged, the better."

The Wheat Board said yesterday Agriculture Minister Kraai

van Niekerk had approved, on recommendation of the board, an increase to R624,98 a ton for the basic wheat selling price.

The selling price is based on a delivery price to farmers of R600,86 a ton (R660,95 including VAT). The 1990/91 season net delivery price was R508,71 a ton. Producers are expected to get a supplementary payment of R5 a ton at season's end.

The cost of wheat makes up a third of the total cost of bread.

SA Chamber of Baking executive director Nic Alberts said that if the price of flour increased by 13 percent, there would be a 9c increase for each loaf, apart from the eight cents increase predicted by the chamber as a result of rising bakers' costs.

"The basic cost could increase by 17c a loaf. It is up to each baker to decide if they will be able to absorb some of these increases," he said.

Mr Alberts said the profit margins on bread was less than three cents a loaf.

Wheat surplus grows from here to Pluto

8/22/10/91
Own Correspondent

③ Wheat
BRUSSELS — The Common Market's titanic surplus of wheat — now reaching record levels — is boggling the imagination even of the officials who helped create it.

With 30-million tons expected to have poured into silos and granaries across Europe by the end of the year, Brussels bureaucrats are at a loss for words. All they can say is that it is the largest amount of uneaten food produced by any civilisation.

"I don't know how to describe it," said one official. "It's certainly a heck of a lot of wheat."

EC agriculture ministers met in Luxembourg yesterday for the second serious discussion on ways to abolish the excess have awesome comparative statistics to consider.

St Peter's in Rome, the largest ecclesiastical building in the world with a volume of 40-million cubic metres, would accommodate less than one third of the intervention wheat stocks the commission expects to have bought in by December.

And with the Soviet Union facing a winter of near-starvation, the ministers should know that this stock could produce no less than 67.5-billion loaves of bread.

According to millers and bakers Rank Hovis MacDougall that would comfortably supply 1.75-trillion slices of toast — enough to cover 36 252km² or roughly the surface area of Sicily, whose wheat-growing capacity made it once the breadbasket of the Roman empire and of Europe.

Thanks to the EC's dairy regime, there is no shortage of butter to spread on the toast. There are about 1-million tons in refrigerated storage across Europe. Beef is being stored in similar quantities, some of it now seven years old.

Not all of the wheat is of the quality normally required for the standard white British loaf. Much of it would have to be made into biscuits, though these would presumably be no less welcome in the Soviet Union or Ethiopia.

But there are nevertheless so many edible grains of wheat now going to waste that, if laid end to end, they would stretch 6,688-million km — rather more than the distance between the Earth and Pluto.

Figures like these may help to concentrate the minds of farm ministers as they begin again next week on the proposals drawn up by EC farm commissioner Ray MacSharry, amid renewed signs that the French government is opposed to reform.

The EC is shackled not only with the cost of buying in and keeping the surplus, which has unexpectedly shot out of control in the last two years, but also with the consequences for the GATT world trade talks.

These have been stalled since last Christmas because of US objections to Common Market attempts to dump the produce on the world market. — The Daily Telegraph.

Bread price set for big jump

8 (Day) 22/10/91

GERALD REILLY

PRETORIA — The price of bread is likely to rise by up to 20c a loaf before the end of November.

The Wheat Board announced yesterday a 20% increase in its selling price to the milling industry — R624,98 a ton from November 1 compared with the current R520. With recoverable VAT added, the price is R687,48.

Other cost increases affecting the bread price include transportation, wages and salaries, and municipal charges.

The wheat producer price has been raised by 18% to R600,86 a ton.

However, a Wheat Board spokesman said that when storage costs were taken into account the total selling price to the trade would rise to R700,42 a ton — a 15% increase on the current price.

As bread is no longer price-controlled, the increase could vary from bakery to bakery.

Speaking last week at the annual congress of the SA Chamber of Baking, chamber president Fanie Ferreira said meagre profit margins had placed his industry in

grave danger.

The industry had been tugged out of a controlled environment and dumped into a free market situation.

He warned that white bread would probably become a luxury in many households.

A chamber spokesman said production and delivery costs alone had increased by 8c a loaf in the past 12 months.

The wheat price increase would probably add another 9c a loaf to basic costs "and there is no way bakers can absorb a 7% costs increase".

A recent survey put profit margins in the industry at 3c a loaf.

Therefore a substantial adjustment in price was justified.

Housewives League national president Lyn Morris said keen competition and consumer resistance to inflated bread prices should temper coming increases. She advised consumers to shop around, as increases could vary greatly.

● See Page 13

Buyers use loaf and turn away from bread

A farmers' proposal to the Wheat Board — that the selling price of wheat be increased by 18 percent for the 1991/92 season — indicates that a bread price higher than the rate of inflation, can be expected.

Consumers living below the breadline are getting crumbed off with rising prices and are opting for zero-rated maize products as opposed to bread.

The imminent bread price rise could herald the beginning of the end of the ubiquitous white or brown loaf.

Transport, milling, baking and retailing form 60 percent of the cost of the average loaf. Although wheat forms only 30 percent of the cost of bread, price increases in bread production are largely dictated by the wheat price yardstick.

A farmers' recommendation to the Wheat Board — that the selling price of wheat be increased by 18 percent for the 1991/92 season — indicates that an inflation rate can be expected. This year, the Winter Grain Producers' Organisation (WPO) announced the recommended increase to a selection of invited consumer representatives, including the Housewives' League and Consumer Council.

It was the first time the WPO had sought publicly to justify its recommendation. The reason given for the higher-than-inflation recommendation was farmers' difficult financial position.

The Wheat Board and Dr Kraai van Niekerk, the Minister of Agriculture, are considering the WPO's request. Dries Liebenberg, assistant general manager of the

Spur 8/10/91

Wheat Board, says: "The price we will ultimately agree on is likely to be higher than the inflation rate of 15 percent."

However, Chappie Ferreira, the WPO chairman, said the percentage increase was far less than many farmers had requested. Several other factors place in jeopardy the future of bread as a staple food.

The most obvious one is the end to the bread subsidy. It is not coincidental that financial setbacks to wheat farmers have occurred primarily in the past seven years — the phasing out period of the subsidy.

Secondly, the deregulation of the baking industry has led to differing prices for identical loaves of bread, depending on where they are bought. Many bakers and retailers simply charge as much as they can.

Finally, the refusal of the Government to zero-rate white bread — the staple carbohydrate for most South Africans — could help change the status of bread in the national diet. White bread will no longer be competitive in the carbohydrate market.

Geoff Kahn, Southern Transvaal director of Pick'n Pay, says the chain cannot afford to subsidise VAT on white bread the way it is subsidising brown bread for six months. He added that it was strange white bread had not been zero-rated, as the "un-

3) wheat

derprivileged masses" hardly ate brown bread at all. A spokesperson for Checkers said VAT on white bread would have a severe impact on consumers in lower income groups whose grocery basket is primarily comprised of basic food items and who have no recourse to aid.

When shopping for basics in future, South Africans are likely to choose from carbohydrates other than bread. The first choice will be maize products, most of which are zero-rated, or rice, which is zero-rated even though it is imported.

Brown bread will be the next choice, and then potatoes, which are not zero-rated, although potato farmers and consumer bodies are trying to change that.

It looks as though white bread, South Africa's traditional staple food, may become a luxury, priced way above the old "government sandwich loaf" price.

This would eventually lead to less wheat being produced, particularly as far more wheat is used in white bread than in brown. The uncompetitive position of white bread in the market will worsen the problems facing wheat farmers: increasing costs of fertiliser, insecticides, tractors and harvesters.

Already many farmers are replacing wheat crops with maize, which is proving to be a more profitable crop. JUSTINE NOFAL



Up, up and away . . . Consumer Debbl Amos demonstrates how bread prices are set to rise.

Shopkeepers climb on bread bandwagon

Star 13/11/91

By Paula Fray
Consumer Reporter

Some unscrupulous shopkeepers pushed up their bread prices by as much as 60c after November 1 when the new wheat prices came into effect, according to complaints received by the SA Co-ordinating Consumer Council.

Consumer Council spokesman Ina Wilken said the council had received numerous calls from consumers who complained that bread at their local stores had increased by between 20 and 60c over the past two weeks.

Agriculture Minister Dr Kraai van Niekerk and the Wheat Board recently said the 14 percent rise in the basic selling price for wheat would add only 7c to the cost of a loaf.

However, further increases

could be expected due to the cost increases of millers and bakers who had to process wheat into bread, they said.

Bread prices vary dramatically on the PWV and range from R1,07 for brown bread and R1,29 for white at a major retail store to as much as R1,30 for brown and R1,60 for white.

In rural areas, surveys have shown consumers pay as much as R1,65 for brown and R2 for white. When the industry was deregulated in March, bread cost, on average, R1,05 for brown and R1,20 for white.

Mrs Wilken said a joint effort was needed to give consumers affordable bread.

"The Wheat Board subsidy softened the impact of the wheat price increase for the milling and bakery industry."

She said that if everyone in the distribution chain were prepared to pass on the benefits derived from VAT, including

input credits for current expenditure and capital goods, bread should not have increased to the extent it has.

"The retailer who is not prepared to accommodate the consumer in this country might be facing a low income in the near future. The consumer of today is much more enlightened and aware of prices than ever before," she warned.

Despite substantial increases in the wheat price as from November 1, major retailers have been keeping their prices down.

Pick 'n Pay southern Transvaal buyer Geoff Kahn said prices would stay at present levels until November 17.

"When VAT was introduced we brought down the price of brown bread to below cost for two weeks. When the new increases in the price of wheat came into effect on November 1 we decided to hold the price of bread until November 17."

BREAD INDUSTRY

FM 15/11/91

③ wheat

Half-baked deregulation

Deregulation of the bread industry early this year was accompanied by expectations that greater competition would force down prices.

But, as is so often the case when governments embark on deregulation, only half measures were taken. The result was predictable: the full benefits of deregulation are not yet realised because the market is only partly freed; new problems have arisen; and critics blame the problems on deregulation and argue for a return to the old system.

The Wheat Board ended the subsidies on standard — or government — bread on March 1. It also stopped setting the profit margin for retailers and the ceiling price for consumers, and opened up the licensing to all bakers. But the board still tightly controls the sale of wheat with its fixed-price, one-channel marketing system; wheat still cannot be freely imported; and competition among bakers still may be hindered by the clout of the seven large companies that for years held the contracts to produce most government bread.

So bread prices are zooming. The latest round was set off by the board's annual increase in the wheat price on November 1, about 18% this year. Millers, bakers and wholesalers are pushing up prices and some retailers are adding profit margins of anywhere from 10c to 40c a loaf, according to one supplier. Until deregulation, the statutory retail margin was limited to 4c a loaf on government bread.

In addition, VAT has been added to white bread prices since September 30, tacking on another 10%.

The result is that prices are up dramatically. At Checkers, for example, a standard loaf of white bread is up 32,8% over last November, to R1,45, taking into account that the standard loaf has been reduced from 850 g to 800 g. Brown bread is up by 28,4% to R1,22. Other major supermarkets have posted similar increases.

But Nic Alberts, deputy director of the Chamber of Baking, says the supermarkets have kept their increases down compared with smaller retailers and corner cafes, where R1,60 a loaf for white bread is now common. Unfortunately, he says, supermarkets represent only about a quarter of bread sales.

On the positive side, hundreds of new bakery licences have been issued since deregulation, according to Premier Foods MD Willem de Kok. "There is no restriction on licensing, bar the normal health regulations."

Eventually the market will sort itself out.

Since milk was deregulated in 1983, its real price has fallen, the packaging has improved and the variety and marketing of milk products have increased. The same will happen with bread. But not surprisingly — after just eight months — there are calls to turn back the clock.

"At this stage of SA's political and economic life it is dangerous to play around with food price increases," says Lieb Nieuwoudt, an agricultural economics professor at the University of Natal. "Consumers have become sensitised to these issues and government erred by making basic foods such as white bread subject to VAT. In fact, government should consider reintroducing the bread subsidy."

Nieuwoudt says that while he supports the principle of deregulating food prices, the current social climate demands that this process should be phased in more gradually.

This view is seconded by Pick 'n Pay chairman Raymond Ackerman. Keeping one eye on his supermarket chain's image as the consumers' friend, he says that while he

Board deputy chairman Helgard Muller says the board is studying the matter but it is too early to say when "this sensitive issue" will be resolved.

Tariffs are considered a less onerous trade restriction than import controls and the new system may allow milling companies to import wheat directly for the first time, subject to the tariffs set by government.

The Wheat Board was forced to import wheat earlier this year, at a profit to government of about R100m, by buying 432 000 t at world prices and reselling it to millers at the far higher local prices. (World prices are low partly because many governments subsidise their wheat industries.)

But consumers will benefit very little from this windfall. Wheat Board deputy GM Louis van Staden says producers and millers should reap part of the benefit, with consumers benefiting indirectly.

"We have asked government to allow us to retain R18m of the R100m to pay the silo storage charges normally levied against millers. Similarly, we would like to keep about

R20m to fund the finance charges on the crop. Should government agree, the effective wheat price for the year would obviously be reduced."

He says the balance of about R62m will shortly be paid out to government. Chief Director of State Expenditure Flip Rademan says the money will go directly to the exchequer and not be used to subsidise bread prices or add to government's R220m relief fund for the poor.

Adds Blignaut: "The principle of using these funds to subsidise bread prices would be wrong, coming directly after we abolished bread subsidies. Should we do this, wheat and bread prices could shoot up even more steeply next year, unless we

have a similar windfall to dispense."

Maybe so, but there is no question that if there were complete deregulation — abolishing the board and allowing millers to import all the wheat they wanted duty-free — the bread price would drop. The local wheat price is now R694/t but good-quality imported wheat can be landed at Durban for R530/t, says board GM Ivan Hemingway. Based on these savings, white bread prices could be cut by 10c a loaf.

As an intermediate step to full deregulation, a spokesman for the milling industry says government should consider an import quota of, for example, 30% of the 2,2Mt local wheat demand. This would give farmers time to adapt to deregulation and branch out into other crops.

Meanwhile, the deregulation that has tak-



Wheat producers ... scared of imports

supports free-market principles, the times may not be conducive to sharp price hikes. "I would support the idea of fixing bread prices, subject to the payment of State subsidies, for a period of two years."

But Nieuwoudt does argue for freeing up wheat imports. With sanctions being phased out, he says, there is no strategic case for local wheat self-sufficiency. Therefore, local consumers should be able to benefit from the cheaper wheat widely available on world markets.

Government may soon take a step in this direction. Deputy-Director General of Agriculture Chris Blignaut says government has decided to "move away from quantitative import control on wheat and the Board of Trade & Industry is now looking into substituting this with import tariffs."

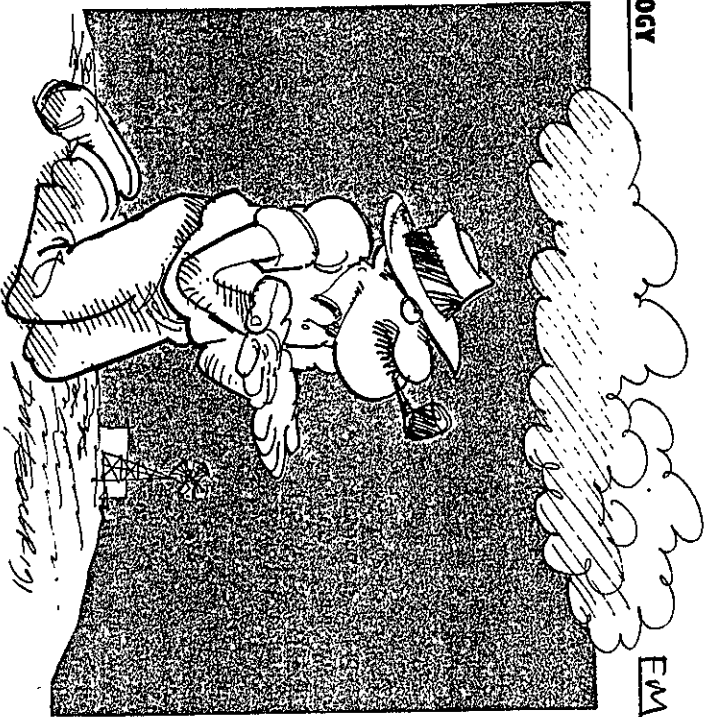
AGRICULTURE - WHEAT.

1992

In the western Transvaal there were rains; and farmers have been planting as fast as possible.

The first attempt to predict this year's maize crop will be made on January 10. Fourie says an estimated 2,8m ha had been planted to maize by December 15 — 300 000 ha fewer than the total last year.

However, last year was unusual and crop results won't even be used for averaging purposes. "Rains fell late and farmers planted when it would normally have been suicidal, but reaped quite good crops because of the unusually good rains in January." Even crops that look good need regular



rains between now and March. Meanwhile, Marais Fourie, a forecaster with the Weather Bureau, says the immedi-

are prospects of rain over the eastern Cape, parts of the Free State and parts of southern Transvaal are improving. But "the rest of the Transvaal will remain as it is, hot and dry, with isolated thundershowers", in the Johannesburg and Pretoria areas."

Janette Lindesay, deputy director of the Climatology Research Group at Witwatersrand University, says a moderate El Nino (a large patch of warm water in the Pacific Ocean, which influences the weather in many countries) is building up. This increases the chances of some parts of the summer rainfall areas getting below normal precipitation.

She explains: "There are strong, moderate and weak El Ninos. Without exception, the strong ones are associated with low rainfall in the summer rainfall areas between December and March, the peak effect being in January and February. The more moderate ones do not affect the entire summer rainfall area, only portions of it."

Lindesay adds: "The weather we have been getting in parts since October is indicative of an El Nino: reasonably good rains associated with heavy local downpours, followed by droughts."



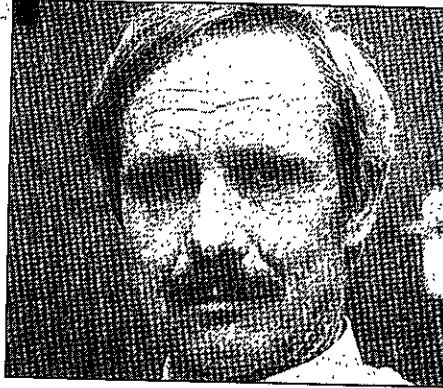
AGRICULTURAL OUTLOOK

In the balance ^{FM 3/1/92} _{(3) wheat}

Most of the wheat crop was in before potentially damaging rains fell and, with only a small area in the eastern Free State still being harvested, the Wheat Board is talking of a crop of 2,2 Mt. Piet Vermeulen, manager of the board's business economic services, says this will be as much as SA needs for the season. There won't be enough to export, except to African countries such as Malawi and Zambia, but no wheat will have to be imported.

The same cannot be said for oats. This year's crop, planted mainly in the Swartland and Rûens, near Caledon, has failed because of drought. Only about 10 000 t went into the bag and SA needs about 45 000 t/year.

The main cause for concern, however, is the maize crop, in the summer rainfall areas, which is at a delicate stage. Some areas had rain when it was needed but others — mainly in the south-eastern Transvaal and north-eastern Free State — are still dry. A few



Fourie ... good west
of Bethal

Farmers in those areas benefited from isolated showers last month, and planted crops that have germinated, but they are now waiting for more rain. Others missed out completely and farmers who allowed overgrazing now need soft, soaking rains because there isn't enough grass to prevent flood water from running off.

Poena Fourie, the Maize Board's assistant operations manager, says the maize crop west of Bethal appears to be good but, eastwards, towards Ermelo, it isn't as good as last year.

ARG 29/4/92

Aussie wheat due in PE

PORT ELIZABETH. — A consignment of 14 000 tons of Australian wheat is expected here soon. **WHEAT**

Imported by the Wheat Board for Eastern Cape and Border mills at a cost of R7,5 million, it replaces some of the 60 000 tons exported to Africa.

Part of the cargo will be offloaded in East London.

According to deputy general manager of the board Mr Dries Liebenberg, South African wheat crops last year were sufficient for local consumption,

but shortages created by exports had to be made up with imported wheat.

He said the crop planted last year and being marketed now was sufficient for South Africa's needs but the question was how the drought would affect the new crop.

"The crunch for wheat farmers will be this year when crops are planted within the next two months," he said.

The board has announced financial aid for drought-hit farmers of R17 a ton of wheat, based on deliveries. — Ecna.

Meat industry salvos fired

Staff Reporter **SNEAT**

OVER regulation in the meat industry has come under fire at the 11th international Hereford conference in Cape Town. **ARG 29/4/92**

Speaking on South African beef consumption, prominent black businessman Mr. Matome Maphonya blamed the government's policy of "over-regulation" for the "economic mess" the country finds itself in.

SA imports wheat for African sales

GERALD REILLY

PRETORIA — The Wheat Board would import about 100 000 tons of wheat from Australia and France this year — at a cost of about R50m — to keep open its African export markets, board deputy GM Andries Liebenberg said at the weekend. *B10cm*

Economists said this was another foreign exchange drain caused by drought. Maize imports were expected to soar to about R2,3bn this year. *18/5/92* Liebenberg said the 1991/92 wheat crop of just over 2-million tons was barely enough to satisfy local demand. However, contractual obligations to African countries made it necessary to supplement the crop with imports.

He said wheat and flour exported to Africa had to compete with cheaper European imports. The board subsidised SA exporters to ensure competition. The subsidy this year would come from the profits made from the price difference between imported wheat and its selling price to the trade of R700 a ton.

Imported wheat free-on-rail, Liebenberg said, would cost on average R520 a ton. Further imports would depend on local demand for wheat products.

This could rise through consumer resistance to the white/yellow maize meal mix now marketed. Demand for bread could also increase as a result of this resistance. *18/5/92*

Wheat cultivars foil aphid

By George Nicholas
Agricultural Correspondent

Two wheat cultivars have been developed in South Africa that are resistant to the destructive Russian wheat aphid that causes huge crop losses.

Up to now farmers in the wheat-producing areas of the Transvaal, Free State and Natal have been forced to spend about R15 million a year on spraying operations.

The breakthrough has been achieved by a team of research workers at the small-

grain centre in Bethlehem under the leadership of Retief Celliers.

In trials, the new cultivars which have now been released for commercial propagation, have produced excellent yields of grain and have also shown good resistance to stemrust.

Russian aphids made their first appearance in South Africa in 1978. Everyone hoped the pest would disappear as suddenly as it appeared, but this did not happen and its attacks in the wheat areas became more devastating each year.

Government stands to make about R400m from wheat imports

By Gary 4/6/92

MEREDITH JENSEN

Wheat

GOVERNMENT stood to make about R400m from the import and sale of wheat for SA and its neighbouring states, industry sources said yesterday.

Milling sources said government's decision to mark up the price of imported wheat to millers was "scurrious".

"Obviously, it would be more cost effective for millers to buy wheat on the world market, as opposed to being locked into SA prices, which are always higher."

Wheat Board GM Ivan Hemingway said nearly 1-million tons of wheat might have to be imported during the coming season at

an average cost of R500 a ton. The board's current price for wheat was set at R700 a ton.

An SA Agricultural Union spokesman said government had been siphoning off the profits from imported basic foodstuffs for a number of years.

He said government was also obliged to cover any shortfall that occurred. This had not yet happened.

However, in a statement last night Agriculture Minister Kraai van Niekerk said: "Imports will only be assessed from October 1992 and, therefore it is not possible at

this stage to determine whether the state will make a profit or a loss on imports of wheat."

He said SA wheat prices were "comparable, mostly lower, than unsubsidised prices of the same commodities" abroad.

"It must be kept in mind that the state takes the responsibility for all the risks involved in the import process and the intention is not to make a profit."

Van Niekerk added that the state did not levy import duties on wheat, and attribut-

ted high prices to the cost of rail transport from the port of entry to inland.

Transnet operations manager Andrew Willson confirmed the Minister's statement, saying normal rail tariffs were being charged.

Transnet was not yet sure of the effect of the imports on its profitability.

Railway trucks were travelling longer distances than usual. Transnet also had to cover the fairly expensive exercise of re-commissioning mothballed trucks.

Pretoria University agricultural analyst Prof Johan Groenewald said agricultural

boards were parastatal monopolies and could do what they liked with food prices.

He believed it feasible that government would increase the price of imported basic foodstuffs such as wheat.

Aside from the added cost of shipping the wheat to SA, wheat prices worldwide were heavily subsidised.

SAs' wheat prices were heavily influenced by dumped prices from the EC countries, the US and Canada.

Director of food merchandising for Pick n Pay Sean Summers said: "The govern-

□ To Page 2.

Wheat

By Gary 4/6/92

Wheat

From Page 1

ment is importing wheat at a low price and pocketing the difference, which amounts to blatant exploitation of the consumer."

However, Hemingway said instead of government profiting from wheat imports, consumers could benefit.

"The Wheat Board will buffer prices over a three-year period. Instead of an annual 15% increase, we will reduce the price increase over a long-term period."

He said this strategy would help the consumer while building up market share.

Hemingway said the price of wheat which had remained unchanged since November 1991, could not be blamed.

"Retail prices are up. The retailers are the biggest cause of inflation, forcing suppliers to build in the cost of the 60 days they take to settle their accounts."

Hemingway said the Wheat Board had looked at moving away from its present structure, taking decision-making out of

the statutory environment and eliminating a central controller.

"It is possible that the Wheat Board might be changed to a wheat co-operative. The farmer would deliver his crop to the co-op, which would store it, he said.

"The marketing arm of the board would be privatised and take care of administration. If you take away the boards, then the government must subsidise farmers like other countries do," Hemingway said.

Profits from wheat in surplus years went to government, not the farmer, and were exported at a loss for the farmer's account.

A leading mill manager concurred: "If we turn to imports, which are less expensive, we will kill the SA farmer. And, if SA becomes a major importer, then chances are world prices would rise."

"Either way it is no good."

Crumbs! The Wheat Board has gone off its loaf

If you turn to page 231 of your history books you will read about the peasants of France getting restless and how, in 1789, Mde La Guillotine was helping them trim the tops off the nobility.

The nobility's rather delicate situation was not helped by Marie Antoinette's historical *faux pas* or boo-boo royale.

The history book explains how somebody cried: "Ma'am, the people can't afford bread." So she said to them: "Then let them eat cake."

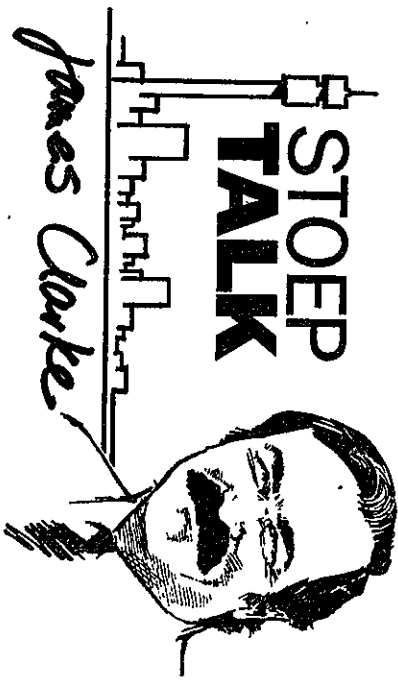
Well, in South Africa, as you know, the bread price has been hitting new heights and is now so expensive the masses can no longer afford it.

Some breathless messenger has obviously informed the Wheat Board about this. But did the board say "Then let them eat cake"?

No. Worse, it decided that seeing it had lost the masses it would make a bid to get the wealthier to eat the stuff. It launched a campaign yesterday and its advertising mes-

③ Wheat STAR 23/6/92

STOEP TALK



James Clarke

sage began: "It is National Breadweek — now you can have your bread and eat it!"

How's that for next year's Flourie awards?

"Why Breadweek?" it asks. But before you can boot up your wetware for an answer the board provides it: "Because people are simply not eating enough bread."

It says, our national consumption of bread has dropped to 45 kg a person a year while in parts of Europe it is up to 79 kg. One gets the idea it is inferring that is to our national shame that we

are sitting back and allowing Europe to out-eat us, bread-wise.

But how is it going to get the yuppies to eat more bread? The Wheat Board uses a shameless ploy: it says that bread will "keep you slim". Keep you slim? Did you know bread was slimming? Neither did I.

Among the incentives the board is using to get people to eat more bread is to offer R10 000 worth of bread boards. They say the boards cost R100 each.

What the board is saying is that because the masses can no longer afford bread the Wheat Board will persuade those yuppie ladies who bounce up and down to Body Beat on GMSA to eat the stuff — for their figures' sake. Why don't they eat cake?

Longest night

When I got home last night I offered a toast to another winter gone and another spring upcoming.

"What?" I hear you cry, "Spring? Upcoming?"

Well, yesterday was the shortest day of the year. It was the winter solstice or something — when the sun is the furthest north it can get from South Africa.

Today, you might have noticed, the dawn broke more snappily and the sun will shine longer than yesterday. From now on the days will get longer and longer until, bingo! the prunus will be in bloom and you'll be trying to start the lawnmower again.

OK, it will get colder and colder for the next two months but you can't have everything.

Just the fax

Communicating by fax is just about the most unattractive way to communicate. But it can also lead to interesting mix ups.

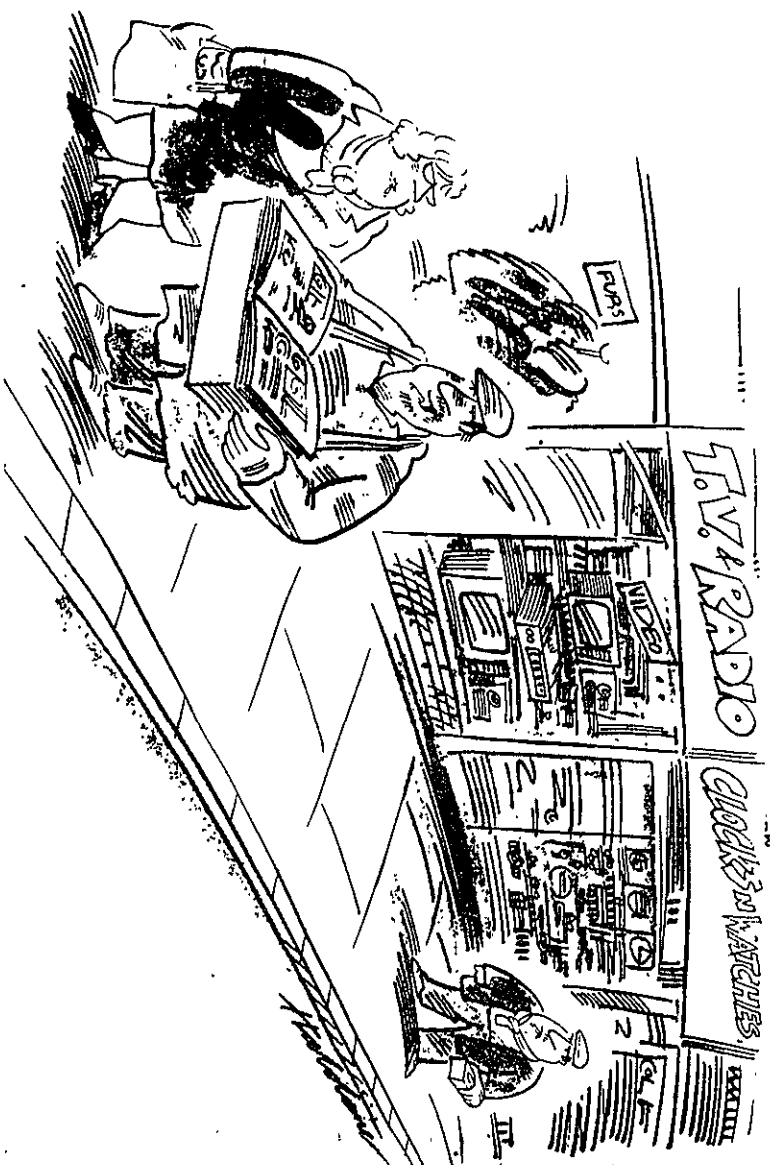
Take Janet's experience. She works for a large banking concern in Johannesburg and the boss asked her to urgently let him have her own *curriculum vitae*. But she was not sure how to do one.

So Janet phoned her sister across town. Her sister, being a career woman, had her own cv on tap in her pc (cv in a pc! Just listen to me!). She promised to fax it to Janet so Janet could use it as a model.

Nothing arrived. "But I sent it," said the sister, "I'll send another."

Again, nothing arrived. Janet gave up.

Three months later her sister received a letter from the bank where Janet worked, saying there was no job available but it thanked her for applying. Three days later another letter arrived saying something similar but with a different signature.



"Just choose what you fancy from the catalogue and my assistant will see if it's in stock."

Govt set for R400m gain on wheat imports

Own Correspondent (3) WHEAT

JOHANNESBURG. — Government stood to make about R400m from the import and sale of wheat for SA and its neighbouring states, industry sources said yesterday.

Milling sources said government's decision to mark up the price of imported wheat to millers was "scurrilous".

"Obviously, it would be more cost effective for millers to buy wheat on the world market, as opposed to being locked into SA prices, which are always higher."

Wheat Board GM Ivan Hemingway said nearly 1-million tons of wheat might have to be imported during the coming season at an average cost of R500 a ton. The board's current price was set at R700/ton.

● In a statement last night Agriculture Minister Kraai van Niekerk said: "Imports will only be assessed from October 1992 and therefore it is not possible at this stage to determine whether the state will make a profit or a loss on imports of wheat."

JOHANNESBURG. — Retail group Rusfurn plans to retrench 988 employees from its Wanda-Frazer furniture stores as part of its restructuring, says an SA Commercial, Catering and Allied Workers' Union (Saccawu) official.

Saccawu said yesterday it had been told the stores — which employed about 8 000 people — had lost R78m in bad debts. The company had made an offer

Rusfurn to axe 988 jobs

of a R100 across-the-board pay increase for Wanda workers on the condition that the union accepted its restructuring plans.

Rusfurn spokesmen yesterday declined to comment.



Beauty and the champ. Former World Boxing Organisation lightweight champion DINGAAN THOBELA and Miss South Africa 1989, MICHELLE BRUCE, added some colour at the launch of the 1992 Bread Week in Johannesburg.

Sales of good old bread slipping

WHEN fresh it is crusty yet spongy, its smell says eat me and indeed, as you spread butter it is irresistible and is very nutritious. Sadly, good old bread is losing its appeal.

The probable reasons vary from the price hike

BY PEARL MAJOLA

since deregulation to misconceptions about its nutritional value.

One thing sure is sales are dropping.

However, the Wheat Board is prepared to stick it

out with the traditional breakfast food.

Yesterday the second annual Bread Week began after a launch of the awareness campaign by the Board in Johannesburg last week.

“Whatever the reason, South Africans are simply not eating enough bread,” said the Board’s chief liaison officer, Mr Johan Erasmus.

“It is imperative, therefore, to reinforce the goodness perception of bread and to restore it to its rightful place as one of the important staple foods in the daily diet,” he said.

Any of the following reasons, Erasmus said, could be the cause for the drop in sales:

1 The unfavourable economic conditions

1 The fact that the bread price has risen between 35 and 45 percent since the introduction of deregulation in 1991

1 Or people are simply eating less bread because of the general decline in disposable income.

A consumer competition with prizes worth R60 000 is just one of the innovative events developed by the Board as part of the awareness campaign.

“A publicity campaign offers a platform from

which bakers and millers can launch intensified campaigns in an effort to boost bread sales,” Erasmus explained.

“There is no doubt that an ongoing promotional campaign, coupled with an increase in bread consumption, will enhance future wheat production. This in turn will place the industry on a much stronger footing, able to compete favourably with other products in the staple food market, particularly on price,” he added.

"People of the same trade seldom meet together, even for merriment and diversion, but the conversation ends in a conspiracy against the public, or in some contrivance to raise prices."
- Adam Smith, Wealth of Nations

During the course of its investigation into bread-price increases, the Competition Board discovered no evidence of collusion by bakers.

Cynical industry-watchers will not be surprised: the board has investigated a number of industries over the years with little result.

After probing the country's quite open cement cartel some years ago, for instance, the board decided to leave it alone. The acquisition of Bonny Bird by Rainbow Chickens gave Rainbow 58 percent of the broiler market, but this was okayed by the board. In each case, the board had cogent reasons for not being able to act.

It did recommend that the acquisition of hosiery company Arwa by the FSI group should not go ahead as this would result in a monopoly, but it was overruled by the government.

The surprise that greeted those decisions is bound to be repeated. Pick 'n Pay's food director, Sean Summers, asks how the board reached its conclusion on the baking industry when three suppliers to his group raise their bread prices by exactly the same amount on the same day.

In terms of the narrow legalistic approach the board is constrained to follow, it is probably quite correct: there is no proof of collusion among bakers to set bread prices.

Board chairman Pierre Brooks explains that the investigation was initiated with the idea of getting hard evidence of collusion to present to the attorney general for criminal prosecution. "That didn't materialise," he says.

Nevertheless, what the board did discover during its investigation makes disturbing reading.

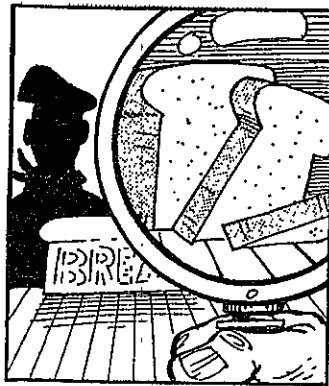
It found that 228 bakeries, including the big groups, belong to the Chamber of Baking. The chamber, among other functions, has a costing committee which calculates each year the average production cost of a standard loaf of bread, based on the actual cost of a representative number of bakeries. The calculation, according to the board, provides members with a standard against which they can compare their own results.

"The role of the cost determination by the chamber in the decision-making process of the baking groups is not decisive or important in the determination of selling prices. Bakeries mentioned that this cost is calculated on a national basis and that it is regarded as 'interesting' by them," states the report.

The board also found that five groups dominate the baking business. Three of them — Premier Milling, Tiger Foods and Sasko — each hold about 25 percent of the bread mar-

Which side of bakers' bread is battered?

③ wheat
w/Man 3/7-9/7/92



The Competition Board has cleared the baking industry of collusion on bread-price rises. Whether its conclusion is correct or not, the report has huge holes,
argues REG RUMNEY
 317-917192

ket. All are vertically integrated: they mill flour as well as baking and distributing the bread.

This economic concentration, vertical integration and information sharing lead to suspicions of the kind of "conspiracy against the public" quoted from Adam Smith, the father of free-market economics, at the beginning of this article.

How, then, did the Competition Board come to the conclusion that there was no price collusion among bakers?

Well, says Brooks, the board concluded that if there had been collusion, bakers would have been able to raise their prices much more than they did. There is no evidence, he says, that they are making exorbitant profits; on the contrary, their margins are being squeezed by the supermarkets which, for a one-cent price difference, send business to a competing baker.

Brooks adds, however, that the board will be taking a closer look at the way the Chamber of Baking determines costs.

The report asserts that since the deregulation of the bread industry, the profit margin of the retailers, which used to be set at four cents a loaf, has risen and "alleged margins of 20 percent to 25 percent are believed to be commonplace". But Pick 'n Pay's Summers flatly denies this. "We still make two cents a loaf — maximum," he says, adding that often supermarkets sell at cost or below.

More damaging to the board's case is Summers' assertion that 80 percent of bread is not sold through supermarkets but by corner cafes and small shops. The report confirms this: "The estimated share of the chain stores in the total bread market amounts to between 15 percent and 20 percent on a national basis, and is higher if only urban areas are taken as a basis."

Despite noting that the chain stores have only up to 20 percent of the market, the report goes on: "Chain stores therefore fulfil an important role in the marketing of bread and are *apparently* in a position to force bakeries to act in a certain way." (The italics are mine: nowhere in the report is there an explanation of how the chain stores put pressure on the three major bakers which, with around 75 percent of the market, should have much bigger clout.)

It is true that, as the board notes, the miller-bakers' two big input costs, fuel and wheat, are the same for all bakers. The fuel price is set by the government, the wheat price by the Wheat Board. Agricultural boards were recently identified by the Board of Tariffs and Trade's study of food prices as a hindrance to the operation of the market; this is a good example of how a control board can influence pricing further along the chain of distribution.

Moreover, Brooks is correct to point out that profits alone do not indicate exploitation and that financial indicators such as return on assets also need to be looked at. The board, says Brooks, has employed a chartered account to do these exercises.

The phrasing of the conclusion of the report is interesting: "Deregulation of the bread industry took place about a year ago and has resulted in a competitive market. On the one hand there is a number of large suppliers, none of whom dominates the market, and on the other hand a number of large buyers that exert pressure on suppliers regarding prices and terms. This will not ipso facto prevent collusion among the suppliers. However, based on this investigation, it would appear that there was no collusion on the latest price increase."

So, at the same time the market is competitive and collusion is possible. And the remark that no supplier dominates the market does not negate the possibility that acting together the big suppliers might dominate the market, which amounts to the same thing.

In 1986, Stef Naude, then chairman of the Competition Board, promised that the government would come down hard on collusive practices. Among those mentioned as being in the board's "firing line" were the liquor, baking, building, cement, chemical, elevator, engineering, flour, paint, newspaper, cigarette and travel industries.

Six years and numerous reports later, the silence resounds. Either Naude was wrong or there is something wrong with the mechanisms for finding and acting against practices that impair the efficiency of the free market.

Wheat imports will benefit govt'

Wheat
Blouin 8/17/97
GERALD REILLY

PRETORIA — Government will rake in a profit of about R150m on the importation of 1-million tons of wheat later this year, Wheat Board sources said yesterday.

The imported wheat is needed to supplement the Free State crop which the drought has rotted down to 170 000 tons — less than half the usual harvest.

Off-loaded and readied for dispatch from SA ports, the total cost of the imports will be about R550m.

The imported wheat will be sold to the trade at the same price as local wheat — about R700 a ton, the sources said.

Regarding maize, economists pointed out that the 4,5-million tons being imported to supplement one of the smallest crops on record would cost in excess of R2,3bn. When the cost of the wheat imports was added, the foreign exchange drain would rise to at least R2,8bn.

When it was taken into account that in a "normal" season SA maize and wheat farmers could produce export surpluses, the enormity of the forex losses came into focus, said the economists.

50% wheat imports

BLOEMFONTEIN. More than 50 percent of South Africa's wheat needs for next year will have to be imported because of the drought in the Free State wheat-producing region. — Sapa

APR 11 1972
WHEAT

**Drought: SA to import ^{WHEAT}
half the wheat needed^③**

cr 24/1/92
BLOEMFONTEIN. — More than 50% of South Africa's wheat requirements will have to be imported next year as a result of the drought in the Free State wheat-producing region, it was reported yesterday. The chairman of the Winter Wheat Producers Organisation, Mr Chappie Ferreira, said it appeared South Africa would have to import about 1,25 million tons of wheat. — Sapa

Rains save ³WHEAT 25/8/92 Cape wheat

Staff Reporter

ICY weather continued to batter the Western Cape and Boland yesterday, saving wheat crops farmers believed lost to the drought.

However, D F Malan's weather office predicted that Cape Town's skies should start clearing later today.

"We're expecting an improvement," a spokesman said yesterday. "There will be isolated showers in the morning, but it will clear later."

Strong winds between 15 and 40 knots and weekend snowfalls have chilled the air.

But the rains have left Swartland and Namaqualand wheat farmers overjoyed.

"It's fantastic," said Mrs Sonja Stemmet, of the farm Diepvele in the Vanrhynsdorp district.

"We thought the drought had taken our wheat crop.

"Twelve millimetres fell over the weekend. It's a rare thing for it to rain here in August."

She said, however, that the icy winds had obliterated spring flowers in the area, and she doubted whether they would recover.

Up to 100mm of rain fell at Citrusdal over the weekend, cheering citrus farmers.

The Clanwilliam Dam is also full, and a sluice has been opened to release excess water.

● The Lipton Cup regatta, off Hout Bay, was cancelled yesterday because of the foul weather but will continue today depending on the weather, a race spokesman said yesterday.

NEWS IN BRIEF

No wheat imports ^{(3) wheat}

NO WHEAT would be imported until the new season started on November 1, Wheat Board chairman Eddie Pienaar said after a meeting of the winter grain committee of the Free State Agricultural Union on Wednesday.

When needed, wheat would be imported from Canada because it was of good quality, he added.

The expected crop from the eastern Free State for the 1992/93 season would be about 20 000 tons, compared with 387 739 tons in 1991/92. The yield for the whole Free State would drop from 1 164 696 tons to 123 000 tons.

BIDA 7 28/8/92

SA to buy subsidised US wheat

SA ^{BIDAN} ²¹⁹¹⁹ WOULD soon purchase subsidised wheat from the US, the Wheat Board's Ivan Hemingway confirmed yesterday.

He said SA had been hoping for some time to purchase US wheat subsidised under the US export enhancement programme (EEP), set up to counter the EC's agriculture subsidy programme.

"US wheat is good quality, so we're happy to be able to purchase it," Hemingway said. The wheat was expensive, so without the subsidy SA could not afford it.

VWD reports that SA is expected to be offered 400 000 tons of wheat.

The deal had been awaiting guarantees from SA, including that SA would not stop buying wheat from non-subsidised produc-

TIM MARSLAND

ers. Hemingway said these guarantees had been furnished. ^{(3) wheat}

The Wheat Board, which had lobbied to buy the wheat, would continue to purchase from other sources, he said. To date it had already bought from France, Canada, Saudi Arabia and Argentina.

Funds saved under the EEP could be used to lower the price of bread or to subsidise other food aid programmes, Hemingway said.

The US Wheat Association has already opened an office in SA.

There have been reports that US President George Bush could be using the EEP to "buy the farming vote".

6/28/92 16/9/92
**US gives SA
\$30m credit**

MEREDITH JENSEN

THE US Department of Agriculture has authorised \$30m in credits for SA through its Export Enhancement Programme.

The credits have been earmarked for the sale of \$25m wheat and \$5m of feed grain. Wheat Board deputy GM Johan Dorfling said it was a major trade relations breakthrough.

The Comprehensive Anti-Apartheid Act had curbed SA's ability to obtain credits, he said. In 1992 SA needed to import 1-million tons of wheat.

It was unclear how many tons of wheat would be purchased as a price had not been determined, but the tender deadline was November 30 and bidding would be through the Grain Merchants' Shipping Association, he said. (3) wheat

US wheat ^{wheat}

By Justine Nofal ⁽³⁾

The Wheat Board is to import subsidised wheat from the United States, Wheat Board general manager Ivan Hemingway has confirmed.

The decision comes at a time when the issue of importing subsidised agricultural produce is being debated at all levels of agriculture in South Africa.

Australia has criticised the US for flooding the world with subsidised wheat and robbing it of two traditional markets, South Africa and Pakistan. 3742 81919 2.

Australian politicians and farmers labelled the US the country's number one trade enemy, and the Economic Community (EC) accused the Americans of taking a "belligerent" stand.

President Bush recently announced a plan to offer 30 million metric tons of wheat to 28 countries under its export enhancement programme (EEP), which is worth \$1,1 billion (about R3 billion) and will enable US farmers to sell to foreign customers at greatly reduced prices.

Mr Hemingway said the board had been hoping for some time to purchase US wheat under the EEP, which was set up to counter the EC's agricultural subsidy programme.

"US wheat is good quality, so we're happy to be able to buy it."

Govt asked to give up profit on ~~maize~~^{3 wheat}, wheat

PRETORIA — The Wheat and Maize boards are trying to persuade government to plough back profits from the sale of imported wheat and maize products to benefit consumers.

However, industry sources believe they are unlikely to succeed.

The profits are expected to be more than R250m on this year's importation of wheat alone.

Maize Board GM Peter Cownie said the board had urged government to pass on any profit made from the importation of 4,3-million tons of maize to benefit consumers. So far nearly 2 million tons had arrived in SA ports.

Cownie said maize was being landed at R475 a ton, including all associated costs — about the same as the local selling price.

The wheat, which is likely to come mostly from North America and Australia, lands at SA ports at

GERALD REILLY

about R440 a ton. This rises to more than R450 a ton when certain charges are added. The wheat will be sold at the local price of about R700 a ton.

Wheat Board deputy GM Andries Liebenberg said the position of the wheat crop in the Free State was causing grave concern.

He said in a normal year the Free State produced between 50% and 60% of the total crop.

However, with the planting season nearly over, only 10%-15% of the crop had so far been planted "and much of what has been planted is at risk because of continued drought".

Economists said that taking into account government's shrinking tax and VAT revenue and its desperate need for funds, it was no wonder it would want to pocket profits from the imports.

Drought cuts wheat planting by half

THE havoc caused by last summer's devastating drought had reduced wheat plantings in the Free State to less than a third of a potential area of nearly 1-million hectares, a Wheat Board spokesman said yesterday.

National plantings had been reduced by more than 50% to 711 000ha.

In the Free State, where normally 60% of the crop was grown, only 286 000ha had been planted. The expected yield was 288 000 tons — one of the smallest Free State harvests

13/10/77
GERALD REILLY

on record. ⁽³⁾ wheat
"Last year 930 000ha hectares were planted in the Free State and yielded more than 1-million tons."

The southwestern Cape crop was expected to be normal — about 640 000 tons. Overall the national crop was not expected to exceed 1,28-million tons against the domestic need of 2,2-million tons.

16 NOV 1992
16 NOV 1992

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OF
SOUTH AFRICA



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Vol. 329

PRETORIA, 1 NOVEMBER 1992

No. 14386

DEPARTMENT OF AGRICULTURE

No. R. 3080 ^{(3) Wheat} 1 November 1992

MARKETING ACT, 1968
(ACT No. 59 OF 1968)

WINTER CEREAL SCHEME: LEVIES AND SPECIAL LEVIES

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 Wheat Board referred to in section 6 of the Winter Cereal Scheme published by Proclamation No. R. 162 of 1974, as amended, has under section 24 of the said Scheme imposed the levies and special levies set out in the Schedule;
- (b) the said levies and special levies have been approved by me and shall come into operation on 1 November 1992; and
- (c) Government Notices Nos. R. 986 of 3 April 1992 and R. 2320 of 14 August 1992 are repealed with effect from the said date of commencement.

A. I. VAN NIEKERK,
Minister of Agriculture.

SCHEDULE

Definitions

1. Any word or expression in this Schedule to which a meaning has been assigned in the Scheme shall have that meaning, and—

“the Scheme” means the Winter Cereal Scheme published by Proclamation No. R. 162 of 1974, as amended.

Levy on winter cereal

2. (1) A levy is hereby imposed on winter cereal of the classes and grades specified in column 1 of Table 1, that is:

- (a) sold to the Board; and

69690—A

DEPARTEMENT VAN LANDBOU

No. R. 3080 1 November 1992

BEMARKINGSWET, 1968
(WET No. 59 VAN 1968)

WINTERGRAANSKEMA: HEFFINGS EN SPESIALE HEFFINGS

Ek, André Isak van Niekerk, Minister van Landbou, maak hierby ingevolge artikel 79 van die Bemakingswet, 1968 (Wet No. 59 van 1968), bekend dat—

- (a) die Koringraad bedoel in artikel 6 van die Wintergraanskema gepubliseer by Proklamasie No. R. 162 van 1974, soos gewysig, kragtens artikel 24 van genoemde Skema die heffings en spesiale heffings in die Bylae uiteengesit, opgelê het;
- (b) genoemde heffings en spesiale heffings deur my goedgekeur is en op 1 November 1992 in werking tree; en
- (c) Goewermentskennisgewings Nos. R. 986 van 3 April 1992 en R. 2320 van 14 Augustus 1992 met ingang van genoemde datum van inwerkingtreëing herroep word.

A. I. VAN NIEKERK,
Minister van Landbou.

BYLAE

Woordomskrywing

1. In hierdie Bylae het enige woord of uitdrukking waaraan 'n betekenis in die Skema geheg is, daardie betekenis, en beteken—

“die Skema” die Wintergraanskema gepubliseer by Proklamasie No. R. 162 van 1974, soos gewysig.

Heffing op wintergraan

2. (1) 'n Heffing word hierby opgelê op wintergraan van die klasse en grade in kolom 1 van Tabel 1 vermeld, wat:

- (a) aan die Raad verkoop word; en

14386—1

③ wheat .

TABLE 1 • TABEL 1
LEVIES AND SPECIAL LEVIES ON WINTER CEREAL
HEFFINGS EN SPESIALE HEFFINGS OP WINTERGRAAN

Class and grade of winter cereal Klas en graad wintergraan	Levy per metric ton net mass Heffing per metrieke ton netto massa	Special levy per metric ton net mass Spesiale heffing per metrieke ton netto massa
1	2*	3*
1. Wheat (all classes and grades including undergrade) excluding wheat imported/Koring (alle klasse en grade ondergraad ingesluit) uitgesluit koring ingevoer.....	586c/t	3 264c/t
2. Wheat imported/Koring ingevoer	586c/t	—
3. Barley (M and U)/Gars (M en U).....	657c/t	7 202c/t
4. Barley (feed grade and undergrade) purchased by the Board for malting purposes/Gars (voergraad en ondergraad) wat die Raad aankoop vir vermomting.....	657c/t	7 202c/t
5. Barley (feed grade and undergrade) purchased by the Board for feed purposes/Gars (voergraad en ondergraad) wat die Raad aankoop vir voerdoeleindes.....	657c/t	3 353c/t
6. Oats (all grades)/Hawer (alle grade)	586c/t	3 330c/t

* VAT included/BTW ingesluit.

TABLE 2 • TABEL 2
LEVIES AND SPECIAL LEVIES ON WINTER CEREAL PRODUCTS
HEFFINGS EN SPESIALE HEFFINGS OP WINTERGRAANPRODUKTE

Kind of winter cereal product Soort wintergraanprodukt	Levy per metric ton net mass Heffing per metrieke ton netto massa	Special levy per metric ton net mass Spesiale heffing per metrieke ton netto massa
1	2*	3*
1. Wheaten semolina/Koringsemolina	792c/t	709c/t
2. Barley malt/Garsmout.....	821c/t	450c/t

* VAT included/BTW ingesluit.

Bread price - blame it on ^{3 wheat} ~~the~~ ~~bakers~~ the bakers ^{Spreta} 3/11/92

■ Agriculture Ministry takes no blame:

BREAD price increases over the weekend should be attributed to bakers' and millers' increases as there had been no real increase in the wheat price, Agriculture Ministry spokesman Frans Loots said yesterday.

According to reports bread prices rose over the weekend after Agriculture Minister Mr Kraai van Niekerk announced on Friday that the price of wheat would be held constant until about the second quarter of next year.

"Profits" from cheaper imported wheat would be used to postpone a nine percent increase in the consumer price of wheat.

Loots said yesterday that the weekend bread price increases should therefore be ascribed to increases by other sectors of the industry. He also said the recommended maximum prices for bread were not enforceable. While the recommended maximum price for white bread was R1.75, some cafes were selling loaves for more than R2.00.

Baking industry spokesman Fanie Ferreira said distribution costs was just one of the factors bakers had to contend with. There were few consumer items which had to be distributed so widely on a daily basis, he said. - Sapa

NEWS IN BRIEF

SDAM 3/11/97
Wheat body happy

THE Winter Grain Producers' Organisation is satisfied with the 14% increase in the producer price of wheat to R703,35 a ton, although this is R5,65 a ton less than requested. *Wheat*

Organisation Chairman Chappie Ferreira said the increase was essential to ensure reasonable future production. However, SA would remain a net importer of wheat. The summer crop looked to be the smallest in decades. Although conditions had been promising at the start of the season, unfavourable weather had caused heavy damage.

Bread price in townships too high ^{(3) wheat} consumer body

B/DAM 19/11/92
MEREDITH JENSEN

THE National Black Consumers' Union said yesterday bread prices in the townships had rocketed.

Although after last month's bread price increase the Agriculture Minister recommended a maximum retail price, many spazas and cafes were charging up to R1 above the suggested price for a loaf of bread, a spokesman said.

The Consumer Council, which has been monitoring the price of bread since last month's price hike, said yesterday it had identified various retailers and cafes which had ignored the Minister's suggested prices.

Consumer Council executive director Jan Cronje said an investigation undertaken by the council had shown the average supermarket price for an 800g

loaf of white bread was R1,56, while brown bread sold for R1,32. He said these prices were below the government-recommended price of R1,75 for white bread and R1,50 for brown.

"In cafes, prices fluctuate between R1,79 and R2,29 for white bread and R1,55 and R1,80 for brown bread," Cronje said.

However, the black consumers' union spokesman said its monitoring of prices had not included spazas and corner stores in the townships, whose residents could least afford to pay the higher price for bread.

"The monitors tend to look at the prices of the major retail chains," the spokesman said. He added that a loaf of white bread bought in Vosloorus township cost R2.

He suggested bakers and

millers form a watchdog group to help monitor bread prices, especially in areas where people were fed by organisations such as Operation Hungar.

"Often, bread is subsidised at the wholesale level, but retail prices don't seem to reflect this," he said.

SA Chamber of Baking chairman Nick Alberts said the chamber was looking for ways to deliver bread less expensively to those people being fed by government schemes.

However, Alberts said, the most effective way to influence prices was to heighten consumer awareness.

"Consumers, especially in the townships, should be made aware of these recommended prices so that they can stand up for themselves if someone tries to overcharge them," Alberts said.

WHEAT.

1993

Huge ^{(3) wheat} crop losses on the ~~cards~~ cards

STAR 28/1/93
By Shirley Woodgate
and Brendan Templeton

Billions of rands worth of crops are facing drought devastation nationwide, according to the National Consultative Forum on Drought.

The forum blames well-below average summer rainfalls for its gloomy predictions.

But Transvaal Agricultural Union chief executive Johan Hartman said it may be a bit too early to make predictions about summer crops. A clearer picture would come about only at the end of next month.

He pointed to good rains over many areas in the Transvaal and Free State at the weekend as a good sign.

Hartman agreed, however, that a repeat of last year's drought would be catastrophic.

"Last year the Government paid out R3,6 billion in drought relief, but it's clear the State cannot continue with this."

Cattle

The report said drought-related timber and fruit tree losses in the eastern and northern Transvaal were estimated at R980 million, and many other crops were reduced to a third of their previous yields.

It is also claimed that 80 000 cattle have been lost in the northern parts of the country, mainly in Venda, Gazankulu and Lebowa.

The forum is a combination of 68 widely represented organisations

lost in the northern parts of the country, mainly in Venda, Gazankulu and Lebowa.

The forum is a combination of 68 widely-represented organisations including the Government, churches, civics, welfare institutions and homeland governments which met in June last year to tackle the drought crisis.

The report predicts that staple crops such as maize and wheat will be particularly hard hit.

According to the forum's January report, the wheat crop will be only half of last year's and the maize crop will not be enough to meet domestic consumption.

The winter wheat crop was estimated at 1,2 million tons, well below the previous crop of 2,1 million tons.

The forum said only the winter rainfall areas had largely escaped the drought.

Hartman said conditions in eastern and parts of northern Transvaal were looking grim. Irrigation farmers, such as citrus farmers, were facing disaster because of falling water levels in dams and rivers.

Water sources

Although the recent rains had brought relief, they had not done enough to affect levels in water sources.

The forum said scattered, low rainfall had caused total dam levels to plunge from 68 percent in mid-January 1992 to the current 39 percent mark, representing a 29 percent drop overall. Exceptions were western Cape (63 percent full) and eastern Cape dams (36 percent).

The report said a vast range of other crops including plantings of cotton, tobacco, groundnuts, paprika and soya beans were 30 percent down in the central Transvaal.

The forum emphasised that a long-term solution to drought had to be found.

● Dirk Nel of The Star's Northern Transvaal Bureau reports that good rains have fallen this week in the north-western bushveld and along the north-eastern Transvaal escarpment, but the low levels of dams remain unchanged.

Cars' show debut

GAVIN DUVENAGE

THE as-yet-unreleased models of a local motor manufacturer will be on display for the first time at this year's Rand Easter Show, National Exhibition Centre MD Anton Post said yesterday.

He said the new vehicle models would be one of the highlights of the show, along with such attractions as the appearance of international groups Duran Duran and Bad Boys Blue.

A park with trees, shrubs, and flowers will be another popular feature, said Post. More than 850 000 visitors were expected at this year's show, to be held between 2-18 April, he said.

Post denied reports on Tuesday that the show would be held twice during the year, once over the traditional Easter holiday period, and again during October.

Post said the exhibition centre was indeed planning a trade fair later in the year, but it would have nothing to do with the Rand Easter Show.



The joint heads of the taxi industry's working group at yesterday's news conference in Johannesburg, from left, Nafto secretary Ntise Methoko, Sabta president James Ngoye and Nafto president Peter Raball. Picture ROBERT BOTHA

Wine festival at Kyalami this year

Business Day Reporter

THE Business Day Wine Festival will be held again this year, and the venue will be the most spacious so far — the Kyalami Exhibition Centre, within the motor racing circuit.

The festival — the premier event of its kind in SA — will be held from Thursday, April 22, to Friday, April 30, excluding Saturday and Sunday.

"Experience has shown that wine festivals are not well patronised on a Saturday night, so we have decided to have two Fridays instead," said a spokesman for the organisers.

Sixty SA estates will offer their wines for tasting. There will also be wines from Australia and Portugal.

As in the past, the event is designed as an ideal evening out, with dining facilities and other attractions, including a Carnaby Street Market.

The R33 entrance fee includes a commemorative glass, wine guide and unlimited tastings. Groups of 10 or more can arrange discounts.

For more information, phone Faith Verneulen, Marcia Minnaar or Barbara Dunn at (011) 497-2130/1/2/3.



Sabta in warning to erstwhile adviser

THE SA Black Taxi Association (Sabta) yesterday rejected offers of co-operation from its former national adviser James Chapman, and warned him not to try to compete with it.

A news conference in Johannesburg yesterday was told that the public should be wary of consultants, "revivalists who say they want to improve the image of the industry" and who claim to represent it.

A taxi industry working group was introduced, comprising members of Sabta, the SA Long Distance Taxi Association (Saldta) and the National Federated Transport Organisation (Nafto).

As Sabta national adviser in the '80s, Chapman played a significant role in turning Sabta from a small organisation into a national giant viewed as an "economic miracle".

After he resigned last March, there were reports of a conflict developing with Sabta. Some Sabta members began using a programme Chapman had designed to help taxi operators improve their businesses.

Sabta marketing arm Taxi SA Marketing (Taxsam) told the conference that Chapman had approached it with offers of working together.

Sabta public affairs director Mike Ntlatleng said the organisation had rejected Chapman's offer, and he warned that if Chapman tried to lure

THEO RAWANA

Sabta members away he would find he was no match for the organisation.

Chapman said yesterday he did not intend taking members away from Sabta. But he pointed out that because of the success of programmes he engaged in "the people are deciding for themselves".

"I have had as many as 15 associations from all over the country coming to ask for similar services to those I provided for the Pretoria United Taxi Association. I had offered the concept to Sabta but they turned it down," Chapman said.

He had never sought to compete with his former organisation. He added that if he was seen as competition, then it was good for the industry.

At the news conference hosted by Sabta and the Saldta/Nafto camp, journalists were told that a working group of the three associations had resolved that it should be recognised as the sole mouthpiece of the taxi industry.

"... In spite of repeated claims by certain consultants that they have a blessing from Sabta, the working group states categorically that nobody speaks on behalf of the taxi industry except representatives of the working group," a statement read at the conference said.

Rains rescue crops and save R2,5bn in forex

GERALD REILL

PRETORIA — The rains in January and February rescued the country from another disastrous agricultural year and saved it at least R2,5bn in foreign exchange, say agricultural economists.

Much of the more than R3,5bn invested in summer crops by farmers had also been saved. Hundreds of farmers had pulled back from the brink of imminent bankruptcy, they said.

Last year, because of the drought, SA imported 4,4-million tons of maize at a cost of R2,5bn.

Economists said the prospect of a "reasonable to good" agricultural year was the only bright spot in an otherwise grim economic outlook for 1993/94.

Although to keep the maize pipeline to the trade supplied, a relatively small quantity of maize might have to be imported as a bridge until the 1992/93 crop was harvested, the foreign exchange involved would be minimal.

According to a Wheat Board spokesman, the rains have improved planting prospects for the 1993/94 winter wheat crop in the Free State and Transvaal.

Last year's drought necessitated the importation of 1-million tons of wheat at a cost of about R500m.

Pretoria University meteorologist Prof Johan van Heerden said although El Nino weather symptoms still lingered in the central Pacific, the system's influence on SA's weather had waned. He agreed that the good rains of the past two months would mean several billions of rand to the national economy.

Absa economist Adam Jacobs said the likely good agricultural season could lift the economy from what was a certain negative growth rate to a marginal plus-rate of up to 0,5%.

Economists warned that one good season was not a panacea for farmers' financial troubles.

However, it would set many of them up for another season, which would have been impossible for hundreds of them otherwise.

Cape wheat farmers face import threat

③ WHEAT
ARG 19/3/93

HENRI du PLESSIS
Staff Reporter

SOUTH Africa could become a permanent importer of wheat and hundreds of Cape jobs could be lost if the government replaces import controls with a tariff protection system, warns a winter grain industry spokesman.

The change is to fit a tendency towards removing controls from agriculture.

The industry in the Cape, notably the Swartland and Caledon areas, could shrink considerably as farmers would switch to other products or reduce production, said Mr Nico Hawkins, manager of the South African Agricultural Union's winter grain production organisation.

"I have no doubt the change would impact on the wheat industry in the Cape and because of limited alternatives, farmers will find it difficult to continue at present scale of input," he said.

Under the present system, only government could import wheat to offset shortage.

The imported wheat was then sold at a similar price as the local product. The new system would mean anyone could import subsidised wheat

from Europe or the United States at a low price.

To protect farmers, a tariff or levy would be charged to bring the imported price to the same level as South African-produced wheat.

With the widest markets being up-country, transport costs would unfairly prejudice Cape farmers, since farmers in the summer rainfall areas did not face that expense.

Farmers in the winter rainfall areas were investigating alternatives such as feed grain - wheat, but a lower grade, or canola. Canola was formerly an inedible oilseed grain, but a new cultivar suitable for a poultry feed, had been developed.

But, Mr Hawkins said farmers in the Western and Southern Cape still faced serious problems finding alternative crops because, apart from winter grain, most others would need summer irrigation.

Large-scale irrigation was costly and near impossible on the huge Swartland and Rûens wheat farms; water resources were limited.

"An alternative would be cattle or sheep, but we all know conditions in the red meat and wool industries are poor at the moment," Mr Hawkins said.

Bread increase

Times 13/6/93

The recommended price of a white loaf of bread may rise from R1.75 to R1.84 and from R1.50 to R1.58 for brown bread when a government wheat subsidy falls away on July 1.

Wheat

Star 1576/93

Bread price increase slated

The Congress of SA Trade Unions said yesterday the increase in the bread price from July 1 was unacceptable and it would campaign against the rise. A price increase of between 5 and 7 percent is set to come into effect when the Government's subsidy of wheat falls away and the cost of flour rises. — Staff Reporter (3) wheat (2007)

South African 15/6/93

Bread ^{(3) wheat} price hike slammed

By Joe Mdhlela

THE increase in the price of bread would continue to erode the living standard of blacks, the Congress of South African Trade Unions said yesterday ~~(14/6/93)~~

Condemning the hike as unacceptable — the price of white and brown bread will go up by eight cents and 14 cents, respectively from July 1 — Cosatu spokesman Mr Neil Coleman said the decision to increase the price was insensitive.

The increase came at a time of mass retrenchments and joblessness. The argument that food prices were set by the market was not a good enough excuse.

He said Cosatu would intensify its campaign against high food prices and would oppose the increase in the bread price. ~~(14/6/93)~~

Coleman said Cosatu would also seek ways to democratise the control boards which, he said, did not represent the interests of the majority. ~~(14/6/93)~~

Cosatu would consult its allies, civic associations, welfare organisations and consumer groups before taking up any position on the matter.

Star 22/6/93

Strife blamed for bread price rise

Wheat

By Zingisa Mkhuma
Consumer Reporter

Consumers are paying more for a loaf of bread because of political and criminal violence which has caused huge losses for the baking industry.

SA Chamber of Baking executive director Nic Alberts said yesterday that the industry had lost R15 million in the past three months alone as a result of the gutting in townships of 50 delivery trucks and maiming and killing of drivers.

He also cited the Government's removal of the wheat subsidy as the main reason for the 10 percent increase in the wheat price.

Salaries and the cost of ingredients and equipment also contributed to the increased price of bread.

Bread is exempted

from VAT and the recommended maximum price for a white loaf of bread is R1,75 and for brown R1,50. The prices are expected to go up by 8c and 7c respectively from July 1.

● Bread sales continue to go down, the Wheat Board said at the launch of its National Bread Week yesterday.

The board said this may be due to the recession and because bread prices had risen by between 35 and 45 percent since the industry was deregulated.

"Whatever the reason, South Africans are just not eating enough bread. It is imperative, therefore, to reinforce the goodness perception of bread and restore bread to its rightful place as one of the most important staple foods in the daily diet," it said.

Wheat Board accused of inflating price of bread

Sunday Times Cross File

By CIARAN RYAN

BAKERIES could cut the price of bread by almost a third if the wheat market was deregulated, says Richard Theron, president of the Commodities Exchange.

"The Government makes a profit of R250 a ton on imported wheat. If that was passed to consumers, the price of a loaf of white bread could be lowered from R1.75 to R1.19," he said. The millers have raised the

price of flour by 8% in response to an 11.5% increase in the cost of wheat. Wheat farmers were given a 13% price increase this year. More than 900 000 tons of SAs wheat requirements of 2.2-million will be imported this year.

The Government has made a profit of R147-million on imported wheat so far this year.

The Wheat Board replies that profits are ploughed back.

"The Government was able to delay the 11.5% increase in wheat prices for eight months because of the profits made on selling imports," says Phillip Bree, assistant general manager at the board.

"The reason foreign wheat is so much cheaper than ours is that it is heavily subsidised."

Wheat is handed in Durban for R441 a ton and resold for R708. SA farmers receive

R703 a ton. The retail price is rising by R9.90 a month, says Mr Bree. It is the cost of storage and is not a normal price increase.

The wheat price will jump to R775 a ton in July.

Mr Theron says: "If millers were able to buy wheat themselves, they could pass the savings directly to consumers. I have been able to source wheat in South America and land it in Durban at 20% below the price the Government pays."

Eckard Kassier, author of the report on the agricultural control boards, agrees that the bread price could be lowered by abolishing the single-channel marketing system.

Professor Kassier says: "For any wheat scheme to function it needs money."

"Most of the wheat grown in the Western Cape is used in the Transvaal and Natal. Yet there is a shortage of fodder wheat in the Cape. So we have the absurd situation of having to ship fodder maize from the north to the Cape. But wheat which could be used at the Cape as fodder

goes north because of the Wheat Board.

"This adds between R120 and R150 a ton in transport costs."

Nearly all countries protect their farming sectors from foreign competition and SA should be no exception, says Professor Kassier.

Mr Theron says the SA taxpayer is subsidising flour exports to neighbouring countries. Premier Milling quotes R1 568 for a ton of Snowflake flour to SA users, but R880 if it is exported to Zaire. This is after deducting a discount of R488 and Wheat Board subsidy of R200.

A Premier Milling spokesman confirms that flour is sold to Africa at a loss.

"We have to compete with heavily subsidised European exporters of flour."



RICHARD THERON: I can buy much cheaper wheat

Bread prices go up today

By Stan Hlophe

Consumers will pay 8c more for a loaf of white bread and 7c more for a loaf of brown from today due to a 10 percent rise in the price of wheat.

However, supermarket chains have pledged to hold bread at R1,67 for white and R1,35 for brown until the end of July, when prices will be set at R1,75 and R1,42.

Bread, which is VAT-exempt, is normally dearer in cafes. The recommended maximum retail prices before today's increases were R1,88 for a white loaf and R1,57 for brown.

In some cases, the price of a white loaf was as high as R2 and brown

cost as much as R1,80.

OK managing director Mervyn Serebro said his group was prepared to assist customers in a staple-food area.

"We'll take action to keep prices down until the end of July."

Wheat Board general manager Louis van Staden said wheat imports to supplement the small local crop had resulted in a profit of R147 million for the Government as imports could be landed at substantially less than the regulated price.

He said the profit had been used to counter a 10 percent increase last November by subsidising the Wheat Board's price to the industry.

"This year the Wheat Board only received a crop of 1,2 million tons. As a result we had to import about 1 million tons on behalf of the Government," said Van Staden.

"The Wheat Board had no alternative but to increase the price of wheat by 10 percent when the Government's subsidy could not last for the full year," he added.

SA Chamber of Baking executive director Nick Alberts said the industry had lost R15 million in the past three months alone, some as a result of the gutting and hijacking of 50 delivery trucks in the townships.

Higher salaries and equipment costs were contributing factors.

③ Wheat

Bread price set to rise

CF 11/11/93

Own Correspondent

3 WHEAT

DURBAN. — The price of bread is expected to rise between three and four percent within the next month to accommodate millers' and bakers' skyrocketing transport and labour costs.

This was confirmed by a spokesman for Durban's BB Cereals who added, that today's 6,2% wheat price increase by farmers would not affect the price of bread.

The bread price is no longer fixed by the government and costs vary from one retailer to the next.

Increase in price of bread condemned by retailer

Star 27/11/93

THE price of white and brown bread is to be increased by 5 and 6 percent respectively, according to Pick 'n Pay marketing director Martin Rosen, who described the increase as appalling and said it was "just another example of collusion and price-fixing in the industry".

"We cannot understand why, when the cost of wheat increased 3.44 percent on Novem-

ber 1, the price of bread increases by 5 and 6 percent," he said.

Unacceptable

He added that the price of white bread had increased by 23 percent and brown bread by 21 percent over 12 months.

Wheat

"As a staple food, this increase — way above the rate of inflation — is

unacceptable."

Rosen said Albany and Blue Ribbon bakeries had announced the increase "within minutes of each other".

"It suggests that competition in this industry is simply non-existent. As with many other industries, collusion only breeds price increases that ultimately knock the consumer where it hurts most," he said. — Sapa.

Two more bakeries raise bread prices

Star 30/11/93

■ BY ZINGISA MKHUMA
CONSUMER REPORTER

The recent bread price increases announced by four major bakeries would bring distress to consumers, SA National Consumer Union chairman Lillibeth Moolman said last night.

She was reacting to announcements that Sunbake and Boerstra bakeries had increased the price of both brown and white bread by 9c per loaf. At the weekend, Albany and Blue Ribbon bakeries said they would put up the price of white and brown bread by 5 and 6 percent, respectively. ^{(3) Wheat}

Moolman said the bakeries probably lifted their prices in response to the wheat price rise earlier this month. But, whenever the price of a basic commodity — such as bread — went up, there were serious repercussions for consumers. ^(2/4)

"We have always maintained that the industry must exercise

discipline and not increase their prices before Christmas when consumer demand is already high," she said.

The increases — the second round this year — were slammed by Pick 'n Pay marketing director Martin Rosen as "appalling".

He added that they were "just another example of collusion and price-fixing within the industry". Indeed, Rosen said the increases suggested that competition in the industry was "simply non-existent".

He said: "As with many other industries, collusion only breeds price increases that ultimately hit the consumer where it hurts most."

The recommended selling price is R1,57 for brown bread and R1,88 for white bread.

SA Chamber of Baking Industry executive director Nic Alberts said at the weekend that each bakery could determine its own prices.

Two more bakeries raise bread prices

KATHRYN STRACHAN

TWO major Transvaal bread suppliers, Sunbake and Boerstra, are to increase the price of brown and white bread by 9c a loaf. *Biday*

The increases follow an announcement last week of higher prices by the Albany and Blue Ribbon bakeries.

Sapa reports Sunbake MD Dave Graddidge said the increase was caused by higher wheat prices and labour costs.

A Chamber of Baking official said as the bread price had been deregulated, each bakery and bread supplier determined its own increases. *30/11/93*

The increases were condemned by Pick 'n Pay marketing director Martin Rosen as "appalling". They were just another example of collusion and price-fixing in industry, he said.

"We cannot understand why, when the cost of wheat increased 3.44% on November 1, the price of bread increases by 5% and 6%," said Rosen.

Over the past year the price of white bread had increased 23% and brown bread 21%. "For a staple food, this increase — way above the rate of inflation — is unacceptable," he said.

Operation Hunger executive director Ina Perlman said the increase on a basic staple food drove more and more people below the level of sustainable healthy living. *Wheat*

Imported rice prices increase

Star 8/12/93

■ BY ZINGISA MKHUMA
CONSUMER REPORTER

The price of white American rice and thin-grain Thai rice went up by 10 percent and 25 percent from Monday.

This follows the recent 9 percent increase in the price of white and brown bread.

Failure of the Japanese rice crop, which caused a shortage in the world market, was said to be behind the rise.

South African National Consumer Union chair-

man Lillibeth Moolman said the increase in the price of staple food would cause hardship for many.

National Black Consumer Union president Nonia Ramphomane warned consumers to keep away from expensive imported products and advised them to buy cheaper local brands.

She added that the union, the ANC and the Wheat Board would meet next week to discuss wheat price rises which led to the recent bread price increases.

Bumper wheat crop expected

SA's 1993/4 wheat crop estimate was 1,88-million tons, up from the yearly production average of 1,82-million tons and the previous year's low production of 1,27-million tons, the Wheat Board said yesterday. *B104*

However, about 500 000 tons would need to be imported to match SA consumer demand, which stood at 2,3-million tons, board spokesman Piet Vermeulen said. *20/12/93*

The previous season's poor crop had led to almost 1-million tons of wheat being imported from the US.

Vermeulen said weather conditions in the Free State had been bad last season because of the drought but production this season was set to increase as the weather had improved significantly.

Consumer demand for wheat was unlikely to change. It had been stable for the past few seasons.

The Maize Board also reported an increase in crop estimates for the season ending in April.

Good weather conditions had increased prospects for another bumper year and the board expected more than 3,6-million hectares of land to produce crops, a board spokesman said yesterday.

INGRID SALGADO

Last season's maize production was 8-million tons, after excellent weather conditions for planting. Local consumption was 6,4-million tons. *(3) Wheat*

The surplus meant SA could export a large quantity of maize to the Far East and Africa, the spokesman said.

Although SA maize exports represented a fraction of the world market, production and quality compared favourably with the US.

Meanwhile, negotiations between the board, maize producers and the Agriculture Department about deregulation and the marketing of maize would be finalised by the end of March, the spokesman said.

The Wheat Board has reported that a decision regarding tariffs on imported wheat will be made in the next few weeks.

SA wheat producers have expressed concern that the setting of tariffs will lead to imported crops selling at lower prices than local crops.

A board spokesman said the wheat industry was not involved in the deregulation negotiations as it needed more regulation than other industries because of supply shortages it faced.

SA wheat crop estimate down

ET 3/1/73
JOHANNESBURG. —

South Africa's wheat board said the 1993/94 crop was estimated at 1.88m tonnes and the country expects to import about 500 000 tonnes to meet local consumer demand. (3) WHEAT

The board last estimated the wheat crop in early November at 1.9m tonnes for the current marketing season which runs from November 1 to end-October. Last season's imports were about one million tonnes.

Spokesman Piet Vermeulen said tenders were being served and most imports would likely come from the US again. — Reuter

AGRICULTURE - WINE & VITICULTURE

1985

AREA D: All the areas not included in the definitions of "AREA A", "AREA B" and "AREA C".

AREA C: Cullinan, Highveld Ridge and Witbank (except for the municipal area of Witbank); and the municipal areas of Bethal, Bethlehem, Brits, Bronkhorstspuit, Delmas, Devon, Ermelo, Estcourt, George, Grahamstown, Harrismith, Heidelberg(TVI), Hermannus, Knysna, Ladysmith, Lichtenburg, Malmesbury, Middelburg(TVI), Mossel Bay, Nelspruit, Newcastle, Nylstroom, Oudtshoorn, Parys, Pietersburg, Potgietersrus, Port Shepstone, Rustenburg, Tzaneen, Uppington, Warmbaths, Wellington, and Worcester;

AREA B: Bloemfontein, East London, Kimberley, Klerksdorp, Kroonstad, Pietermaritzburg, Potchefstroom, Oendaaistrus, Sasolburg (except for the municipal area of Sasolburg), Virginia, and Welkom; and the municipal area of Witbank;

AREA A: Alberton, Bellville, Benoni, Boksburg, Brakpan, Durban, Germiston, Goodwood, Inanda, Johannesburg, Kempton Park, Krugerdorp, Kulis River, Nigel (except for the municipal area of Devon), Oberholzer, Paarl, Pinetown, Port Elizabeth, Pretoria, Randfontein, Randburg, Roodepoort, Simon's Town, Somerset West, Springs, Stellenbosch, Strand, The Cape, Uitenhage, Vanderbijlpark, Vereeniging, Westonaria, Wonderboom and Wynberg; and the Municipal area of Sasolburg;

Superseding w.d. no: 315

Cape Wine Squeeze on Co-ops

3/26/85 S. Turner 3 Wine

By Claran Ryan

CAPE Wine & Distillers (CWD), which controls 80% of the wine industry, has again come to the attention of the Competition Board allegedly pressuring co-operatives to stop selling directly to retailers.

Simonswiel Co-operative stopped direct supplies to the stores. At least two other co-operatives have advised that CWD partners Stellenbosch Farmers' Winery (SW) and Oude Meester threatened to stop buying from them if they continued selling to retailers.

Denial

SPW denies that it is putting pressure on co-ops. Production director Francis Bayly says the co-operatives are free to sell to any retailer.

To my knowledge SPW never threatened to stop producing from the co-operatives. But if we buy less of their produce, they can do what they like to it." Competition Board member Stef Naude says he is

"watching the situation closely".

Liquor producers were investigated by the Competition Board in 1982 when it was recommended that CWD be split up.

CWD came into being in 1979 when South African Breweries (SAB) bought Inter-Continental Breweries from Rembrandt. In return for shedding SPW to CWD in which SAB, Rembrandt and KWV each acquired a 30% share.

Higher prices

The Government ignored the Competition Board's recommendations. Instead of being ordered to split, CWD was given permission to acquire 500 liquor outlets. SAB and Rembrandt were forced to sell their outlets.

CWD's alleged attempts to squeeze co-ops out of the market mean consumers may be faced with a smaller variety of wines and higher prices.

John Hooper, managing director of Solly Kramer's Discount Liquor Stores — owned

by SAB — says about 45% of his firm's natural wines came from co-operatives. Wine accounts for about 14% of Kramer's sales.

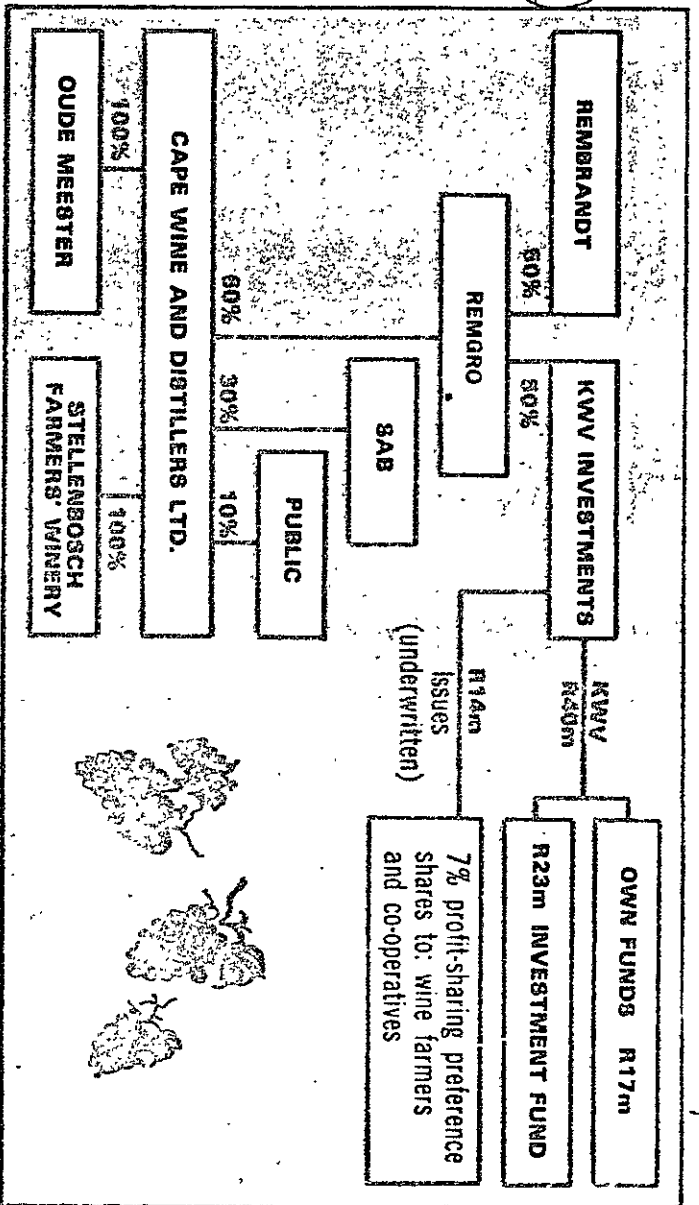
Imports

Mr. Hooper says: "A Simonswiel Riesling, which is a co-op wine, sells for about R1,60 a bottle compared with a Nederburg Riesling, produced by SPW, which cost about R4,00. The wines are similar in quality and taste."

How can the co-ops produce wines at less than half the cost of SPW wines? Mr. Hooper says: "Co-ops have lower overheads and labour costs, and they don't advertise."

Mr. Bayly says if SPW sold its wines at R1,60 a bottle it would be out of business in no time.

Yet imported wines from Spain and France can be bought for about the same price as their South African counterparts.



Who owns whom in the liquor industry

SPW and Oude Meester, which are wholly owned by CWD, have tied up an estimated 80% of South Africa's wine market.

Most co-operatives sell about 90% of their wine to CWD. By selling to bottle stores co-ops were a serious threat to CWD control of the wine industry, it is claimed. In the past few years Solly Kramer's wine sales have had a 6% growth rate compared with a 20% increase in sales by co-operatives, according to one estimate.

High tax

There is resentment at CWD's control of the wine industry among independent retailers and producers. SAB has complained long and hard about discrimination against beer which is

highly taxed. Wine is not subject to excise, but beer is. Wine, but no beer, can be sold in supermarkets — on the grounds that wine is taken with food.

Solly Kramer's has 75 stores compared with 128 in 1978. This year and every following year it will sell off another 13 stores until it reaches its maximum legal entitlement of 12. CWD is building up its chain and has more than 60 stores. Rebel Discount Liquor Stores has 69 stores. Rebel is owned by Gilbey's, an independent wine and spirits manufacturer. Arthur Freedberg, head of Rebel's wine division, says wines account for 50% of its liquor sales in the Cape and co-operatives supply a substantial percentage.

CWD is building up its

chain of outlets by buying Western Province Cellars and Liquor Town outlets from Rembrandt. The rationale used to justify SAB's and Rembrandt's forced disposal of their liquor chains — that vertical integration among liquor producers should be disallowed — was brushed aside in the case of CWD.

Licences

Another sore point in the industry is KWV's issuing of farmers' wine licences. No licences have been issued for several years and an estimated 10% of the land for which licences has been issued are under dams and roads.

Only about half the licences are used for growing grapes and until recently they were not transferable. According to Tim Hamill-

ton-Russell, a wine producer, the quota system and the guaranteed minimum price for grapes have resulted in an oversupply of wine and inefficiencies in the industry. "Producers wanting to manufacture quality wines cannot get licences to grow grapes in the right area. Any one should be allowed to grow grapes to make wine and he should be paid a market price for the crop. "The system is keeping inefficient farmers in business."

APR 15 1978

3 15 1978

NATIONAL/INTERNATIONAL

'Chardonnay scandal' — clamped down promised

Staff Reporter

PEOPLE who allegedly imported illegal vine cuttings would be prosecuted soon, Dr Dirk Immelman, director-general of the Department of Agricultural Economics and Marketing, told the Western Cape Agricultural Union's annual conference in Sea Point.

Dr. Immelman was replying to a motion introduced by Mr Francois Malan of Simonsig, secretary of the Stellenbosch Agricultural Union, who said there was "serious doubt" over the control of vine plants.

Yesterday's debate followed the "Chardonnay scandal" which led the Wine and Spirit Board to state in April what many people in the industry had suspected for at least three years — that some Chardonnay vines planted in Cape vineyards were in fact an inferior variety called Auxerrois.

Allegations have been made that illegal "Chardonnay" cuttings were smuggled into the country in various ways, including packets marked "underclothes" and even in people's socks.

R150 000 loss

Mr Malan said that of 1 229-million cuttings in Wellington nurseries 65 percent were Auxerrois and that the nurseries could expect a R150 000 loss.

Auxerrois is not on the official cultivar list and farmers may not make wine from it.

Mr Malan said experimental plantings of the dubious Chardonnay had been made at Simonsig for two years but that all the vines had subsequently been chopped out.

"The two cultivars are both white varieties but their leaves are completely different. Auxerrois makes very poor wine and its vines are not good bearers. It has no place in our wine industry," Mr Malan said today.

According to wine-writer John Platter, part of the blame for the Chardonnay scandal lies with the wine authorities who, he claims, have for a number of years turned a blind eye to "clandestinely imported plant material".

He writes in Wine Times: "Even today, the only legal official available plant material is an unmitigated vineyard disaster, riddled with virus and leafroll and discarded years ago by most farmers."

Spiralling input costs place wine farmers on weak financial footing

THE ever-increasing cost of inputs required by the agricultural sector has led to a situation where few farms can now be considered operating on a sound financial footing.

In the western Cape, for example, where agricultural earnings underpin the economy of the region, the average net income of this sector has declined from 47c to 20c in the rand over the past 10 years.

According to estimates compiled by the West Cape Agricultural Union, many of whose members are grape growers, fewer than 39% of farmers in the region have viable operations.

The factors which have had the most dramatic impact on this dismal profitability picture continues to be the cost spiral of inputs, said the union's Jannie le Roux.

Costs have on average risen by about 15% a year over the past two years, he estimated.

Big contributors have been fertiliser where compounded costs have risen by 20% since 1980; tar poles by 22,4%; wire by 20,3%; sulphur 20,9% and copper oxide 20%.

Interest rates are also a considerable cost element.

Most farmers in the region are able to survive, or acquire a measure of liquidity, only by staving off creditors and increasing their borrowings.

For some the limit has long since been reached.

The evidence, in part, lies in the increasing number of wine farmers in the region who have recently put their KWV grape quotas up for sale. Initially, this

CHRIS CAIRNCROSS

appears to be a way of temporarily easing the cash squeeze.

Grape production continues to be substantially in excess of demand, but total quotas are not that easily offloaded.

The KWV continues to exercise strict control, limiting quota sales to any single buyer to a maximum 3 000 hectolitres.

This is a politically-motivated ruling, aimed at ensuring the small growers are not completely swallowed by the big producers.

According to KWV estimates, wine production this year is 25% above total quota allocations. The crop amounted to more than 8-million hectolitres, of which only 4,1-million hectolitres are being sold as "good" wine.

The remainder of this wine lake is being channelled into the distilling process for the making of brandies and other spirits.

Given the low value of the rand, much of this product is now flowing into the export market.

A substantial amount is also being used as raw feedstock for a new R4,2m grape juice concentrate plant the KWV has built.

The plant represents a totally new area of diversification for the wine industry.

It is used for the manufacture of grape juice and as a sweetener for other fruit juices and canned fruits.

Thus far 80% of its output has been absorbed by the domestic market, with the remainder earmarked for overseas buyers.

British deal to hit SA sherry sales

(3) wine
SOUTH AFRICA is likely to lose its share of the UK sherry market because of a deal struck between Britain and Spain.

From January 1 Britain has agreed SA sherry can no longer be sold or marketed as sherry in Britain. Only Spanish and Cypriot sherry may carry the name.

"This could be a severe blow for the SA industry," said KWV's Ritzma de la Bat.

"In 1969 we won a High Court case allowing us to market our product as SA sherry, but that will no longer be possi-

B. Dew 26/9/85
ALAN RUDDOCK

ble. At this stage we cannot assess the precise damage this will do to our sales, but we can only hope the strong brand loyalty we have in the UK will maintain sales levels."

Sales of SA sherry in the UK run at R15m — or two million bottles — a year and the UK is the biggest European market for fortified wines.

"This is not a case of protecting an

area of origin, it is a specific deal struck between the two governments. It is similar to SA telling Scotch whisky producers they may no longer call whisky, whisky — but allowing the Americans and Irish to do so, because we prefer them," said De la Bat.

KWV is still awaiting clarification on the new regulations regarding descriptive terms and back labelling. De la Bat said they would not be able to devise an effective marketing strategy until they had all the information to hand.

AGC 17/10/85

3 VIL-...
3 VIL-...
3 VIL-...

NATIO

Wine exports go sour during unrest

Financial Staff

KWV is adopting a low profile in countries that are politically sensitive towards South Africa, the KWV's October newsletter has told members.

The international marketing conditions for South African exporters, especially KWV export wines, are being subjected to severe attitudes against South Africa by the importing countries because of the political situation.

This has resulted in boycott actions against South African wine imports by the monopolistic control boards of the countries concerned, the newsletter states.

MILLIONS OF RANDS

KWV exports to Finland and Sweden, and especially to Ontario, Newfoundland and Nova Scotia in Canada have been officially delisted and declared prohibited imports.

The loss of the Canadian market is a severe blow to the KWV as a country which has been acknowledged as the biggest single export market and where KWV's products were marketed and identified under its own particular South African Paarl trade name.

In the past 50 years millions of rands has been spent in establishing

and developing this singularly important trade name.

The weakening of the rand by about 30 percent since 1984 against other international monetary units created a favourable trade situation for South Africa — but which has now been destroyed by the political climate.

While favourable exchange rates were still enjoyed by South African exporters, it is not certain how effective it will remain under the market conditions.

The wine industry is also faced with the impact of South Africa's inflation rate of 15 to 16 percent, which is continually resulting in higher production costs for the KWV against the expected inflation rate for 1986 for the United Kingdom, where the natural wine market is showing strong growth tendencies.

In Britain the expected rate is 7.1 percent, in the US three percent, West Germany 2.25 percent and Japan four percent.

The gross national product of these countries is expected to improve during 1986, making it all the more tragic that the situation in South Africa has a negative influence on the further development of these markets.

Farmers

Winery

NM 4/12/85
workers

go back

Labour Reporter

MORE than 200 workers at the Stellenbosch Farmers Winery at New Germany near Pinetown ended their two-day strike and returned to work yesterday after talks between their trade union and management.

The workers downed tools on Friday over an alleged unfair labour practice concerning wage negotiations. The stoppage disrupted liquor deliveries to more than 1 500 Natal bottle stores.

The dispute is still to go to the Industrial Court.

The company's regional director, Mr Eryl Brill, said workers went back at noon on condition that they would be paid the day's wages in full.

Minority

Mr Arthur Ngidi, a shop steward of the Sweet, Food and Allied Workers' Union, an affiliate of the newly formed Congress of South African Trade Unions, confirmed members had agreed to go back.

The dispute arose when employees who are members of the SFAWU protested against the management's negotiations on wages with the National Wine and Spirit Workers' Union, which they claimed was in the minority.

They said the SFAWU had not been consulted when the company had negotiated wages with the NWSWU. The company maintains it was not obliged to discuss wages with the SFAWU because it did not represent the majority of workers at that stage.

AREA B: Durban and Port Elizabeth.

AREA A: Lower Tugela.

Superseding w.d. no: 292

425 - CORDAGE AND MATTING INDUSTRY, CERTAIN AREAS.

AGRICULTURE - Wool & Mohair

1985

AREA A: Alberton, Bellville, Benoni, Boksburg, Brakpan, Delmas, the Cape, Durban, Germiston, Goodwood, Inanda, Johannesburg, Kempton Park, Krugersdorp, Kullis River, Nigel, Oberholzer, Pine Town, Port Elizabeth, Pretoria, Randburg, Randfontein, Roodepoort, Simon's Town, Springs, Uitenhage, Vanderbijlpark, Vereeniging, Westonaria, Wonderboom and Wynberg;

AREA B: Bloemfontein, East London, Kimberley, Klerksdorp, Odendaalsrus, Paarl, Pietermaritzburg, Somerset West, Stellenbosch, Virginia, Welkom, Wellington and Worcester and the Municipal area of Witbank.

AREA C: George, Highveld Ridge, Klip River, Kroonstad and Potchefstroom, and the municipal areas of Bethal, Bethlehem, Newcastle, Pietersburg, Piet Retief, Standerton and Volksrust.

AREA D: Lichtenburg, Mossel Bay and Oudtshoorn and Municipal areas of Bothaville, De Aar, Kuruman, Queenstown, Uppington and Viryburg.

Superseding w.d. no's: 296 & 355

Warning to farmers who maltreat sheep

CAPE TOWN 2/11/85 Staff Reporter ~~3/11/85~~ 3/11/85

THE Meat Board has issued a warning to sheep farmers that they may face prosecution if they maltreat sheep by transporting them to the abattoir in such a way that they are forced to remain lying down on the journey.

A statement issued by the board said a recent investigation carried out at the Meat Board's request had established that sheep which travelled in a recumbent position instead of standing upright arrived at the abattoir in a weak condition.

The investigation showed that sheep transported lying down were usually transported in several layers with the result that sheep in the bottom layers were contaminated by manure and urine from those on the upper layers.

As a result of being forced to lie down sheep had impaired blood circulation and signs of muscle tissue damage.

The statement said the pollution of sheep on the lower layers caused discoloration of the wool which remained clearly visible even after it had been tanned. The raw skins were down-graded as a result of the practice.

The skins' uses are also limited since they cannot be dyed properly.

Golden days for wool ³ but output ^{Wool} ^{prices} clipped ^{4/8/85}

By Ciaran Ryan

SOUTH Africa lost about 20% of its wool sheep stock between 1982 and May this year because of drought.

Wool production in the season from August this year to May is expected to remain virtually unchanged because of destocking.

The number of Merino sheep has fallen from 20-million to 16,1-million.

But prices for wool have never been better. Raw wool fetched about 410c a kilogram and clean wool 760c in 1984-85—about 42% higher than in the 1983-84 season.

A spokesman for the Wool Board, Jehan Gieselbach, says: "Increased world demand for finer wools and the rand's devaluation have increased demand for our wool. But we are unable to meet demand because of low production."

SA produced 98,2-million kilograms of wool in the 1984-85 season — 3,3% down on the previous season. Australia is expected to produce about 720-million kilograms this season — 7% higher than last season. New Zealand produced about 390-million kilograms of wool this season.

Earnings

The SA Wool Board estimates that production will increase by only 1% in the current season year because of destocking. SA produces about 4% of world demand for wool.

Wool exports earned R410-million in foreign currency from wool exports last season — 39% up on the previous season's R290-million. About 85% is exported.

Mr. Gieselbach says: "We have started a campaign to encourage wool production in the summer rainfall areas in all provinces. "It will take a few years before we are able to increase production as restocking is a long process."

Farmers can turn marginal land to grazing to spread their risk. He says there is a need to improve yields and increase the amount of land given to wool sheep.

"Wool is attractive at present because of the high prices it fetches."

Wool

prices drop

3 wool

PORT ELIZABETH —

Wool prices dropped by a further 2.6 per cent at this week's sale in Port Elizabeth.

The Wool Board's market indicator stood at 973 points, compared to 999 after the previous auction.

DISPATCH

The board said the drop could be attributed to the weakening of the Australian dollar against the rand by 4.7 per cent, while the wool basket of currencies simultaneously strengthened by 2.1 per cent against the rand.

Prices were up to 3 per cent lower for the most important types of wool, except for 21 micron which was 5.5 per cent lower. Lambs and locks were firm unchanged, and short wool fetched premium prices.

Competition for the 22 700 bales of merino and other wool was good, and 84 per cent was sold. In addition, the total offering of 612 bales of karakul wool was cleared to the trade. The average greasy price for pool wool was R5,17.

Average greasy wool prices obtained for the most important types, were (Type, Micron, Clean yield, Price c/kg):

am	21,5	66	717
as	23,5	66	587
bks	22,5	58	544
cbp	22,0	60	558
cl	20,0	62	576

Approximately 22 700 bales of wool will be on offer next week. — Sapa

V V V V A P C C D T M D I E R E F E R E N C E S G M P R O G R A M W W W W B K L U

Perils of the wool pool

08/11/85

3-Wool

by R. Bursey: Kei Road

DISPATCH

Ask any farmer why farming is so indebted, why it is financially crippled, and the answer will be control boards.

This is the more so with the Wool Board, undoubtedly the most hated and crippling of them all. Small wonder the Wool Board is becoming known as a socialist-equalisation organisation.

Huge sums of money are being held back by the board to equalise farmer's incomes. The Wool Board pool system makes financial management impossible and the injustices of the scheme are beyond reason.

My financial returns

accompanying this letter will verify this, but for the uninitiated I shall explain how the Wool Board operates — and it is certainly not for the benefit of the producer.

The Wool Board values and pays the producer an initial price (known as voorskot) i.e. total acquisition of the farmer's clip. The board then sells the wool on the open, free enterprise market, and regularly well in excess (e.g. returns in excess of 100%) of its acquisition price.

The board lays claim

to this money for its own pool scheme, then it will pay the farmer a percentage in January, (middelskot) and a percentage at the end of the selling season in July (agterskot), based on the wool types performance throughout the six-months selling season.

Naturally if there is a drop in prices over the selling season the producer could lose his middelskot and agterskot to the man who sells at the end of the season.

However, it has been proved to be just as poss-

ible to lose money even on a rising market as I have done regularly. Two years ago there was no agterskot payout. I estimated my loss at R10 000, plus a further estimated loss of R60 00, since the inception of this abortive scheme.

Some obvious drawbacks of the socialist system versus private enterprise are:

A) The bulk (working capital) of the producer's money is withheld for up to nine months. This makes it impossible to purchase requirements on the strength of middle and agterskots as the board itself cannot guarantee any further payments. Financial planning for the following year is out of the question.

B) A farmer has to borrow money as a direct result of the system, but the money being held back by the board is not accepted (understandably) as security by any finance house.

Having suffered four drought years, no producer is in the position

FARMING ON FRIDAY

Edited by GLYN WILLIAMS

to accept this insult. With their type of thinking the farmer must be thrown into the financial quagmire in which the economy is now vainly struggling. They listen but they cannot hear.

Fortunately farmers were given the opportunity to vote on the proposed meat pool shambles, which received the contempt it deserved.

I sincerely request the Wool Board to do away with its pool system, and return to the farmer his own honest earnings. The board is obviously incapable of understanding the basic principles of business and financial management, and as clearly shown, valuing wool.

Wool type	Voorskot price to farmer	Total to farmer	Open market price to Wool Board	Total to Wool Board
4AFH	R 723,70	R 3 517,18	R 1 403 nct sold	R 6 818,58
10AF	483,59	5 803,08	1 013	12 156,00
14AM	465,86	9 168,12	837	16 472,16
7AS	461,71	4 829,49	795	8 371,35
8BM	444,35	4 805,62	805	8 951,60
3BS	398,29	1 708,66	693	2 972,97
5CM	342,42	2 708,54	594	4 698,54
4BKS	412,86	2 076,69	770	3 873,10
4BP	325,01	1 992,31	699	4 284,87
1BFH	713,10	955,55	1 383 not sold	1 853,22
1CFH	493,85	658,82	1 048 not sold	1 391,18
			R38 322,06	R71 843,57

This represents 61 bales out of 86 bales, a loss by the farmer to the pool system of R33 521,51.

Wool sale

3wed

PORT ELIZABETH — Demand for wool is improving, according to the Wool Board's market report on Wednesday's auction in Port Elizabeth.

was sold. In addition, the total offering of 646 bales of karakul wool was disposed of.

The report says that for the second consecutive week prices improved slightly, and were on average 1,4 per cent higher than the previous South African auction. The improvement in prices can mainly be attributed to a better demand for wool on the world market. The market indicator gained 14 points to close at 966.

Since the commencement of the season 249 000 bales of wool had been offered of which 94,4 per cent was cleared to the trade. This is 13 000 bales less compared to the corresponding period last year. The wool cheque now amounts to R167,8 million, which is R28,4 million more compared to the same sale the previous year.

Prices for 20 and 25 micron wool were unchanged, and lambs and locks, 21 to 24 micron wool and bellies were up to 2 per cent higher.

The following average greasy wool prices were fetched for the most important types of wool (Type, Micron, Clean yield percentage, Price in c/kg):

Am	21,5	66	744
As	23,5	66	617
Bks	22,5	58	565
Cbp	22,0	60	560
Cl	20,0	62	705

Competition was generally good and followed the same tendency as the previous sale. In total 86 per cent of the slightly more than 22 600 bales of merino and other wool

Approximately 22 000 bales of wool will be on offer next week. — Sapa

SORGHUM

Biday 18/6/93

Oilseed prices to hit consumers

③ Nuts & Seeds

MZIWAKHE HLANGANI

CONSUMERS can expect substantial price increases in local sunflower and soya beans products after oilseed farmers awarded themselves an 11% producer price increase, industry sources said yesterday.

The increase came amid bitter opposition from food processors and manufacturers. In protest against the increases, they have called for the dismantling of the Oilseeds Board and have withdrawn from participation in board meetings.

Oilseed Board GM Jan Du Preez said advance and selling prices for 1993/94 had been fixed by the board with the approval of the Agriculture Minister Kraai van Niekerk.

Du Preez said producers who delivered sunflower seed and soya beans had received advance prices of R745 and R746 a ton, respectively.

The increased selling prices for sunflower seed and soya beans made it possible to adjust the advance prices for both to R820 a ton. The board's agent would pay out the difference to producers, he said.

Manufacturers said a range of products were affected, including margarine, cooking oils and foods which relied upon oilcake for stock feed. The producer price increases were effective from April 1.

SA Oil Expressers' Association Rick Griffiths said, the association's "participation in the board demonstrably did nothing, but lend respectability to state-sponsored monopoly where producers, through an entrenched majority, imposed their inefficiencies on industry and the consumer behind an impenetrable shield of tariff protection".

Oilseed farmers' "latest arro-

gance" demonstrated another control board had outlived its usefulness.

It was high time the board went the same way of other such boards so that a free market could bring a breath of healthy competition.

Griffiths said there was no justification for inflation-linked price increases for oilseed this season and that it would be unaffordable.

Tiger Oats executive director Hamish McBain said this would affect a variety of foodstuffs, as well as meat products, eggs and dairy products that rely on stock feed.

Processors and manufacturers were forced to buy from a single, inefficient and inflationary marketing channel. The board had destroyed competition and increased costs between farmers and manufacturers with a 50% protective import duty.

"Unrealistic protection" was a severe impediment to promoting two-way trade with African countries keen to sell oilseeds to SA.

An urgent meeting of the Food Logistics Forum would consider the implications of the increase.

The Animal Feeds Manufacturers Association and the SA Poultry Association also opposed the increases.

Griffiths said there was room for cost reduction by producers whose "protected prices" moved further from international norms.

The increases were compounded by the fact that authorities and producers believed they could collect arrears increases on material long processed and sold to the consumer.

Another disturbing factor was that producers were preparing to seek further protection of their high prices, Griffiths said.

B'Day 2/11/92
③ Nuts & Seeds

Pullout to be reassessed

MZIWAKHE HLANGANI

THE Oilseed Board is to reassess the withdrawal of local oilseed food processors and manufacturers from the board at its next meeting.

SA Oil Expressers' Rick Griffiths said food processors and manufacturers would withdraw from the board in protest against oilseed farmers' 11% producer price increases.

Asked if the board would continue if food processors and manufacturers withdrew their participation, board GM Jan du Preez said it was too early to comment on the matter.

He would not comment on calls for the dismantling of the board.

Shoprite Checkers said it would take a hard line with oilseed product suppliers who passed "unwarranted

price increases onto consumers".

A spokesman said the producer price increase would be absorbed, in line with the group's commitment to low prices. The old price would be maintained as long as possible to assist consumers.

Further support would be granted to consumers through wide-ranging special offers and discounted prices to be negotiated with the suppliers.

Pick 'n Pay Deputy GM Sean Summers said the price of local oilseed had always been far higher than the world price. The farmers' price increase was therefore unnecessary.

The SA Consumer Council was unavailable for comment.

Spec 2/11/90

3509 harm

BUSINESS

Tiger's earnings pick up in second half

A stronger than expected second-half performance enabled food and pharmaceutical giant Tiger to beat market expectations with a 16 percent hike in earnings to 184c (158c) a share for the 12 months to end-September.

The dividend is up 16 percent to 63c a share.

At the half-way stage, Tiger's earnings were up 13 percent. Given the sharp deterioration in economic conditions and the socio-political unrest in the second six months, there seemed little chance of the group being able to sustain its first-half performance.

But reasonably strong contributions from maize, shipping, distribution and export operations boosted the second-half results. (The second half of financial '90 showed a 26.8 percent advance in operating profit on second half '89.)



Diagonal Street
AMN CROTTY

18 percent to R6.78 billion (R5.74 billion). According to executive chairman Mr. Robbie Williams the Beacon acquisition, which was consolidated for the final four months, accounted for two percent of the increase. Price increases accounted for 12 percent, which meant that the group achieved a volume increase of four percent.

Operating margins were squeezed from 7.55 percent to 7.3 percent with operating profit up 14 percent to R498 million (R434 million). Interest payments were up 46.6 percent to R66 million (R45 million). But according to

Mr Williams, group gearing was a comfortable 40 percent — down from 42 percent at the interim but up from 34 percent at end-September '89.

That it was held at 40 percent despite expenditure of R354 million during financial '90, is a reflection of the very strong cash generating ability of the group and its tight asset management.

A reduction in interests of minority shareholders (from R45 million to R29 million), more than made-up for the reduction in income from associates (from R17 million to R10 million).

Attributable profit was up 16 percent to R184 million (R158 million).

Looking at a divisional breakdown, broiler chickens had another tough year with oversupply, depressed prices and disease knocking contribution. The edible oils division was hit by

competition from cheap imports.

There was not much volume increase in maize but profits were helped by an increase in margins.

Bakeries were hit by the urea. The end of regulation on the bread front will lead to increased competition which should suit Tiger.

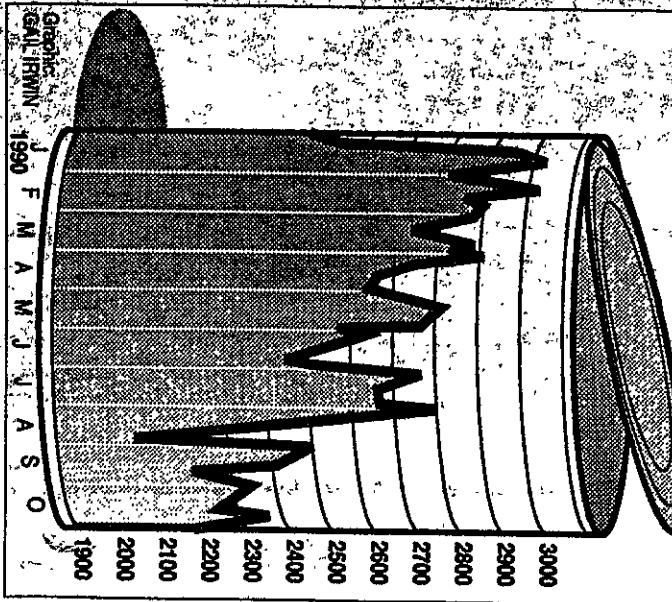
Langeberg has been a disappointing performer but a better agricultural season, improved management efficiencies, firm prospects on the export front and rationalisation at Gants should all help in financial '91.

Oceana had a tough year and things don't look too good for '91.

Adcock-Ingam (which is currently clothed in the Sabax investigation) is expected to show more good profit growth in '91.

All of this, and the fact that Beacon will be in for the full year, point to increased earnings in '91.

Tiger-oats closing price



Graphic by Gail Irwin

Premier closing the gap on Tiger

3 Sachuan
178
80

Premier is rapidly losing its status as poor cousin to Tiger. After years of suffering a rating far below Tiger, Premier is now trading comfortably close to its arch rival.

Much of this is due to the sharp rerating of the Premier share following management's decision to hive off the SAB interests into a separate Bevcon listing — there's also been a slight slide in Tiger's rating.

Frankel Kruger analyst, Teigue Payne points out that in May '89, shortly after the financial '89 figures were released Premier (which then included the SAB stake) was trading at R36. Today Premier is trading at R22 and Bevcon is at R51 for a combined R73 representing a 103 percent surge in the market's valuation of the old Premier share.

Other factors have helped to enhance the Premier rating — the market's perception of an improved food portfolio; good results for financial 1990 and; a reasonably strong outlook for the current financial year. In addition Premier is currently seen to be enjoying a relatively smooth ride with the trade unions.

Last year's controversial decision to treat the group's 50 percent stake in Bonny Bird Farms as an investment and not as an associate did help to improve the income statement and the balance sheet. The changed treatment will also help the current year's figures.

The group's favourable industrial relations record is regarded by some as a legacy of the days when Mr Tony Bloom was at the helm. But given the very volatile nature of SA's industrial relations, Mr Bloom's legacy could only be of benefit if the current management team maintained it.

Chief executive Peter Wright-

Diagonal
Street

ANN CROTTY



on says that they are continuing to work very hard on the industrial relations front.

On the food front the group announced this morning the acquisition of Atlantic Fishing Enterprises, which is involved in the rock lobster market. No details of size were provided but as the company has around 650 employees and its acquisition is expected to improve Premier's earnings marginally in the current financial year, it must be of some reasonable size.

The vendor was paid in Premier shares, some of which made their way into the market last Friday when R5,8 million of shares were traded.

The acquisition of this high margin activity will lift the group's relatively low exposure to the fishing industry.

Premier's state of the art milling and baking facilities will be of benefit in a deregulated environment as it means Premier will be well placed to fight for market share on price considerations. Mr Wrigton expresses concern on this front noting that some measures will have to be taken to protect the underprivileged from the double whammy of the removal of the bread subsidy and the introduction of VAT on bread.

Edible oils remains the problem area.

Mr Wrigton is targeting real earnings growth for financial '91. He points out that they are on target for the first quarter which was a tough one with a weak economy dogged by strikes, stay aways and, political upheavals.

wmail
29/9 - 5/10/89

3 SORGHUM

BUSINESS

With the right mix sorghum beer may brew up a profit

By ELAINE COSSER

THE sorghum beer industry is set to be privatised in a manner beneficial to black interests. But given the dearth of capital and skills among black people it is not clear yet whether this traditional and lucrative industry can — belatedly — come home to roost in the black community.

In February this year Chris Heunis, then minister of constitutional development and planning, pledged that the industry would be privatised with a view to stimulating black business.

The sorghum beer industry, which accounts for more than a third of South Africa's alcohol beverage sector, has been controlled by the state in varying degrees since 1908. Privatisation has been under consideration since 1984.

National African Chamber of Commerce president Dr Sam Motsuenyane has long called for control of the industry to be diverted to black business because it is a traditional industry. Negotiations between the state and potential operators, including Nafcoc, have taken place.

The government has meanwhile given control of the sorghum beer industry to the Industrial Development Corporation. An IDC-controlled company known as the National Sorghum Beer Company has been launched and is intended eventually to provide the vehicle for privatisation.

Industry sources say it is likely the industry will remain under the IDC until some suitably skilled black people are trained to take over.

According to Dr CF Scheepers, chief executive director of constitutional development and planning, "existing management and entrepreneurial skills will be retained and even further strengthened".

In the absence of ready-made black business power to take over the industry, privatisation is being keenly watched by likely competitors.

South African Breweries took a stake in the sorghum beer market in 1983, beginning with the manufacturing of sorghum beer in Ciskei and subsequently establishing interests in Botswana, Swaziland, Zimbabwe, Gazankulu and Venda.

SAB is ready to take over the privatised industry. But if black business is to be the first beneficiary it may not be able to step in.

The privatisation of sorghum beer is unlike that of any other industry currently before government, because the industry's roots are in the financing of apartheid.

And the once profitable industry is on a delicate financial footing.

Sales of the traditional beer provided a major source of finance for township development in the past. Legal brewing was confined to municipal beer halls, where the township administrations reaped the profits.

Municipal monopolisation peaked nationwide during the 1960s. Annual profit reached almost R3-million in Johannesburg in 1968 and went to pay for the running of townships. Sorghum beer profits yielded 60 percent of the West Rand Administration Board's revenue.

Essentially, profits from sorghum beer relieved white ratepayers of the "burden" of financing black development.

But consumption of sorghum beer declined once the prohibition of the sale to and consumption of "white" liquor by blacks was withdrawn in 1962 and the industry made losses for many years.

The government attributed this to the earlier fragmented control of the industry and to "unrest".

Under the new IDC management the industry is no longer making a loss: output of the 23 government-owned plants has risen although the plants are running below capacity.

According to Scheepers, before the IDC assumed control plants were running on average at 40 percent of capacity: this has improved to between 50 and 60 percent.

Whatever form privatisation takes, the government is anxious that the growing profitability of the business is not lost.

Scheepers notes that the industry is a fiercely competitive one despite the current monopoly, because sorghum beer must compete with other liquors as well as with sorghum producers in the self-governing states and TBVC areas.



Chris Heunis

Lower price from board for sorghum

By Caroline Mehliiss
Consumer Reporter

Consumers are unlikely to benefit from the drop in the floor price of grain sorghum.

The price has been lowered by R10 to R172 a ton — the price the Grain Sorghum Board pays.

However, farmers are free to sell to manufacturers rather than to the Control Board and can therefore obtain a much higher price.

ANIMAL FEEDS

So, unlike price increases, which seem to be passed on to the consumer immediately, the grain sorghum price drop is not likely to filter through to the consumer.

Grain sorghum is an ingredient of many animal feeds.

Mr Roger Parry, managing director of Meadow Animal Feeds, says it is difficult to predict any change in animal feed prices until the price of maize — another important component of animal feeds — is announced.

R4,2m in sorghum payouts

PRETORIA. — The chairman of the Grain Sorghum Board, Theuns Swart, announced yesterday the board was to make an ex gratia payment of R4,2m to producers and manufacturers.

Swart said in a statement in Pretoria R1,5m would be paid to producers and R2,7m would go to manufacturers of grain sorghum products "in respect of the imported portion of their purchases".

"The sorghum industry had to contend with big cost increases as a result of a local shortage (owing to the drought) and largescale, rela-

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tively expensive imports.

"The board trusts that with this payment of R15 per ton on all grain sorghum sold, further product price increases will be obviated or softened in the new year."

Swart said the ex gratia payment would be made on all grain sorghum marketed by producers or imported for local use between March and December next year.

He also pointed out that this year's importation programme cost South Africa, especially the sorghum industry, nearly R80m in terms of foreign exchange. — Sapa