

EGGS.

1975 - 1976.

Rise asked in basic egg price

Farming Editor

The Egg Control Board has applied for an increase in the floor price of eggs to counter recent increases in poultry feed costs.

This will not necessarily affect the housewife as the trade has already increased prices.

Consumer prices for eggs are not controlled. The trade is entitled to fix prices. Floor prices are established to guarantee a "reasonable price" to the producer.

Mr W. C. J. van Rensburg, general manager of the Egg Board, said today that egg prices were cut by 1.25c a kg on December 1 1973 to 35.7c a kg in the Transvaal.

Since that time poultry food prices have increased by 20.6 percent. This month the price of laying mash was increased by 35c for 70 kg.

With this an efficient poultry farmer could produce about 23 kg of eggs (35 dozen), so the feed costs alone have increased by a minimum of 1c a dozen eggs. Other costs have also rocketed.

Question
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*ANSWERS, B. Q. columns 884-885.
6 May 1975.*

X Permits issued in terms of Egg Production Control Act

*5. Mr. W. T. WEBBER asked the Minister of Agriculture:

- (1) Whether any permits have been issued in terms of section 2 (1) (a) of the Egg Production Control Act, 1970; if so,
- (2) whether a record of such permits is kept; if so, (a) how many permits were issued in each year from the commencement of the Act to date and (b) what is the number of laying hens in respect of which permits were issued in each year;
- (3) whether such permits are transferable; if so,
- (4) whether a record is kept of such transfers; if so, (a) how many permits were transferred in each such year and (b) what was the number of laying hens involved in such transfers in each such year;
- (5) whether he has any knowledge of such permits being sold; if so, what is the average price paid for permits per thousand laying hens.

Agri - Eggo

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

- (1) Yes.
- (2) Yes.
- (a) and (b)

Year	Commercial eggs		Broilers		Chickens other than Broilers		Total	
	Number of permits	Laying hens	Number of permits	Laying hens	Number of permits	Laying hens	Number of permits	Laying hens
1970/71	176	6 570 188	11	784 600	3	538 680	180	7 893 468
1971/72	5	87 200	—	—	—	—	5	87 200
Extension to existing permit holders 1972/73	—	56 800	—	64 200	—	14 700	—	135 700
1972/73	16	287 000	3	106 000	1	6 200	20	399 200
Extension to existing permit holders 1973/74	—	651 555	—	192 200	—	41 800	—	885 555
1973/74	30	459 400	3	88 100	0**	11 750	33	559 250
Extension to existing permit holders 1974/75*	—	634 905	—	121 100	—	79 000	—	835 005
1974/75*	142	1 025 791	7	70 950	0**	35 000	149	1 131 741
Extension to existing permit holders	—	16 500	—	42 250	—	10 850	—	69 600
		9 789 339		1 469 400		737 980		11 996 719

* Permit requirement reduced from 10 000 to 5 000 laying hens.
** Also received permit for commercial egg production and is consequently not shown as two permits

- (3) No.
- (4) Falls away.
- (5) No.

HANUARD 18

Q. 114-15.
9 June 1975.

Egg Control Board X

334. Mr. W. T. WEBBER asked the Minister of Agriculture:

- (1) (a) How many eggs were (i) produced, (ii) consumed locally and (iii) bought in by the Egg Control Board and (b) what was the average price per dozen (i) paid to producers and (ii) received by the Board for eggs, during the period 1 July 1974 to 31 March 1975;
- (2) (a) what amount was collected by the Board by way of levies and (b) what was the actual or estimated nett loss or profit from the purchase and sale of eggs during this period;

- (3) what was the value of egg stock held by the Board as at (a) 1 July 1974 and (b) 31 March 1975;
- (4) what amount in subsidy was paid to the Board during each of the years ended 30 June 1971, 1972, 1973 and 1974, and during the period 1 July 1974 to 31 March 1975.

The MINISTER OF AGRICULTURE:

- (1) (a) (i) 3 704 881 cases of 30 dozen (according to levy payments).
(ii) 3 075 391 cases of 30 dozen.
(iii) 616 963 cases of 30 dozen.
(b) (i) R0-3164 per dozen.
(ii) R0-3007 per dozen.
- (2) (a) Ordinary levy: R526 565.
Special levy: R3 122 031.
(b) Estimated nett loss: R3 158 722.
- (3) (a) R407 593
(b) R729 878
- (4) During 1971 and 1972 the State granted amounts of R121 645 and R28 355 respectively to the Board for the purpose of promoting the local consumption of eggs. No grants were made to the Board during 1973, 1974 and 1975.

Agri - Eggs

Agric - Eggs

F.M. 27/6/75

UNBROKEN EGG RECORD

(1) Agric - Eggs
(2) 78 A

Eggs are one commodity that consumers get at bargain prices — cheaper than anywhere else in the world except South America and Spain. And, happily the Egg Control Board confirmed this week that no imminent consumer price hike is expected, even though the producer price of eggs was raised by 1,5c/kg to 37,25c/kg, earlier this month, against a retail price of around 60c.

What forces are at work in this industry, which is controlled by a non-subsidised statutory board and where there is no wholesale or retail price fixing?

“Healthy, controlled surplus of production is the necessary evil which sets this trend of stable prices through fair competition” — that is how the ECB describes its policy.

● **Healthy surplus:** local consumption is growing at a rate of 8%-12% pa, and production is seasonal. Production always outstrips demand, sometimes by too big a margin for comfort.

● **Controlled surplus:** Under the Production Control Act, the Minister of Agriculture is empowered to restrict additional output.

The only minimum fixed price is that which packers pay on the floor to

producers, and is calculated to give only a marginal profit, not to encourage overproduction.

Until this month the minimum price had not been increased since December 1973. The uncontrolled wholesale and retail prices have remained low as there have been no shortages. From the producers' point of view, it is not a high profit margin business and still involves too many people. Stricter control over expansion may be needed.

● **Export losses:** ECB buys up surpluses for export — mainly as egg pulp. Last year, because of this, it incurred a R3m loss due to sharp increases in freight costs and packaging.

This loss is recovered from consumers by a 3c a dozen levy. The ECB feels the consumer is paying considerably less for eggs now, than would have been the case had it not ensured there was a surplus throughout the years, by a fine balance of encouragement on the one hand and control of output on the other.

This ECB policy might sound like a very elementary lesson in economics, but it could be food for thought for other agricultural control boards.



The great egg fiasco . .

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

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

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

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

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

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

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

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

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

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

The exported surplus now represents about 10 per cent of production.

Last year, the loss on exports neared R4 million.

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

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

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

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

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

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

No upset

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

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

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

Surplus hits egg industry

SMR 18/9/75

~~18/9~~

Agric - Eggo.

There was an increasing surplus of eggs in South Africa which was doing the egg industry no good, Dr Claude van der Merwe, secretary for Agricultural Economics and Marketing said yesterday.

Speaking at a meeting of the Northern Egg Producers' Association at Halfway House, Dr van der Merwe said the surplus amounted to about 16 percent of all the eggs handled by the Egg Board.

This was expected to be even higher in the 1975/76 season.

He said the surplus of eggs placed a severe burden on the funds of the Egg Board, which was having to pay the farmer, and then try to sell these eggs cheaply on the world market.

PRESSURE

In spite of the surplus, which was limiting growth in the egg industry, there was pressure from many people for more permits to be issued for egg production.

"People seem to think they can make money out of eggs," he said.

"Ask yourselves seriously: Can we continue at this level? No industry can grow in these conditions. Here, when we're exporting eggs at a loss I must ask whether a 16 percent surplus is not too high," he said to the farmers.

PRAISE

Dr van der Merwe praised the egg producers for their restraint in not "passing the buck" by asking for increases in the floor price.

Surplus of eggs alarms

PRETORIA — Unless there was an early drop in egg production, the Egg Control Board would have to review the current price level at an early special meeting, the chairman of the board, Mr. David Jacobs, said in a statement yesterday.

Mr. Jacobs expressed his deep concern at the exceptionally big egg surpluses which the board had to buy at present.

So far, the surpluses during the current season are 34 percent higher than during the corresponding period in 1974 when a record surplus had to be purchased by the board.

STATEMENT

The statement said:

"The endeavour of producers to utilise their permits to the utmost is increasing production to a considerably higher level than expected a few months ago. The high surpluses are creating serious problems for the Egg Control Board.

"Prospects on overseas markets remain disappointing says the board and rising costs are putting further obstacles in the way of exports. According to Mr. Jacobs urgent action is necessary." — (Sapa.)

Cape Times 23/10/75

Eggs to be sold abroad at a loss

Agri - Eggs

THE commercial manager of the Egg Control Board, Dr A H Olivier, said yesterday that 270m eggs of the surplus for the year which ended in June would be exported at a loss.

Because of favourable climate and a minimum of diseases which usually affect poultry farmers, the budgeted surplus for the last financial year had almost doubled.

The surplus would not be sold on local markets "to stabilize the poultry industry in South Africa," Dr Olivier said.

Instead, 80 percent would be converted to products such as salted egg yolk, sugared egg yolk and whole egg pulp. The rest would be exported at a slight loss.

In the past the board had sold surplus eggs in Black residential areas such as Soweto at very low prices, but the experiment had failed because Blacks working for White people would buy the eggs in the townships at lower prices for their White employers.

Eggs were still the cheapest protein food commodity on the market, Dr Olivier said. He doubted whether the price of eggs would be lowered in spite of the surplus.

Agric - Eggp

Egg Board worried by big surpluses

ARGUS 3/11/75

THE chairman of the Egg Control Board, Mr D. Jacobs, has expressed deep concern about the big egg surpluses the board has had to buy. The surpluses are creating serious problems for the board, he says.

In a statement reported in the newsletter of the Department of Agricultural Technical Services, Mr Jacobs says that egg surpluses for the current season are so far 34 percent higher than during the corresponding period in 1974, when a record surplus had to be bought by the board.

The attempt by producers to use their permits to the utmost is increasing production to a considerably higher level than expected a few months ago. The surpluses which result are creating serious problems for the Egg Control Board, Mr Jacobs says.

Prospects on overseas market remain disappointing and the recent increases in shipping tariffs and in the costs of packing material, as well as other cost increases, are putting further obstacles in the way of exports, he adds.

PRODUCTION

Unless there is an early drop in egg production the board will soon have to review the current price level at a special meeting, in terms of the agreement which the Minister of Agriculture, Mr H. Schoeman, concluded at the time of the price increase in June.

A reduction in production by all producers, but

especially by the large production units, will considerably alleviate the situation and ward off price reductions, Mr Jacobs says.

With the current good prices for culls and the shortage of table fowls, producers are in a position to improve the position considerably by slaughtering older hens immediately.

Mr Jacobs says urgent action is necessary to alleviate these problems.

* * *

THE Oenological and Viticultural Research Institute says in a statement it has done intensive research, during the past three years into the problem of growth arrestment disease in vineyards on the lower Orange River.

Soil science investigations were completed during the past year and according to the information obtained the so-called sick soils tended to be of heavier texture than healthy soils.

The potassium content of sick soil was lower than that of healthy soil and the sodium content higher. Plant analyses showed the same trend.

The institute plans two more research projects in this connection. The influence of potassium nutrition, irrigation, crop con-

trol and the general pattern of nutrition translocation in sultana vineyards will be studied.

* * *

THE Citrus and Subtropical Fruit Research Institute reports that the citrus flower moth has recently been discovered on citrus blossoms in Swaziland.

Larvae of the moth were submitted for identification to the institute. From these Mr E. de Villiers reared citrus flower moths which subsequently were identified in Pretoria.

The moth occurs in the Mediterranean area, Southern Asia and the Philippines.

WEB

According to Dr L. Vari of the Transvaal Museum, this pest was previously recorded in South Africa by Dr A. J. T. Janse.

The larvae of the citrus flower moth feed in the blossoms of lemon and citron and form a web over the flowers on which they feed.

They also feed on grafted buds but the pest is of no importance on orange blossom.

Although the citrus flower moth has been recorded in South Africa, it has not yet been observed as a pest on lemons.

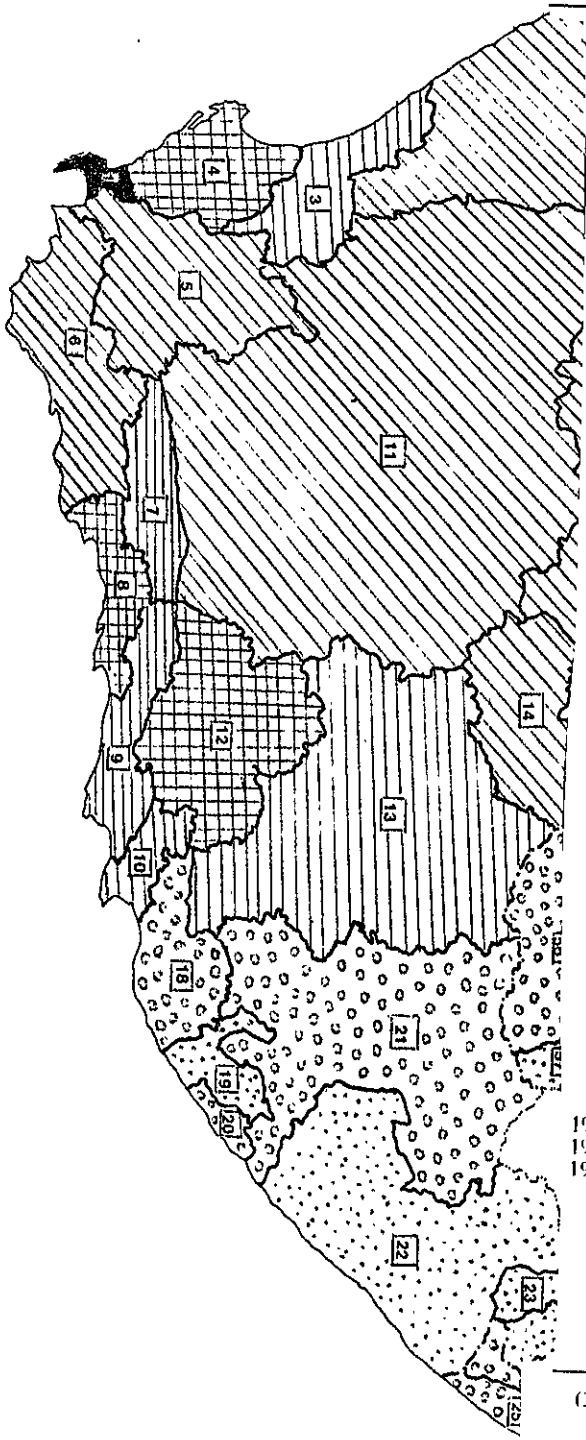
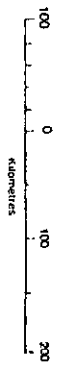
(3-Egg)

Hansard 7

8 MARCH 1976 488

KEY	DEVIATION RANGE (%)
[Diagonal lines]	< -5
[Horizontal lines]	0.4 → 4.98
[Vertical lines]	5 → 9.54
[Dotted]	10 → 14.99
[Cross-hatch]	> 15

MAP 2: DEVIATIONS FROM AVERAGE MONTHLY TOTAL WAGE FOR AFRICAN REGULAR EMPLOYEES ECONOMIC REGIONS



✓ Egg production

385. Mr. T. A. ARONSON asked the Minister of Agriculture:

- (1) (a) What was the egg production in the Republic in 1973, 1974 and 1975, respectively, and (b) what number of the (i) production was surplus and (ii) surplus eggs was exported at a loss in each year;
- (2) what was (a) the total amount and (b) the average price per egg obtained for the surplus eggs exported at a loss;
- (3) (a) what was the average price per egg paid in South Africa during the time the surplus eggs were exported and (b) to which countries were eggs exported in 1973, 1974 and 1975, respectively

The MINISTER OF AGRICULTURE

(1) (a) 1972-73 1973-74 1974-75
Million dozen

161.2	194.8	201.9 (preliminary)
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(b) (i) 1972-73 1973-74 1974-75
Million dozen

10.49	21.61	22.93
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(ii) Shell eggs Egg products
Cases of 30 dozen

1972-73	104 262	239 855
1973-74	160 499	538 731
1974-75	147 234	595 649

(2) (a) Shell eggs Gross Egg products Total
R R R

1972-73	1 030 293	1 266 789	2 297 082
1973-74	1 804 908	3 406 015	5 210 923
1974-75	1 911 877	4 859 950	6 771 827

(b) Shell eggs Gross Egg products
R R

1972-73	2.74c	1.74c
1973-74	3.13c	1.76c
1974-75	3.59c	2.27c

(3) (a) As statistics are available for 14 areas only those in respect of the Witwatersrand and Cape Town are given

Retail prices
Witwatersrand Cape Town

1972	2,833c	2,666c
1973	3,189c	3,008c
1974	3,316c	3,122c
1975	3,579c	3,279c

(b) Egg products and shell eggs were exported to Europe and Asia.

Eggs: 'increase vital'

Own Correspondent
DURBAN — The egg industry would collapse because of the maize price increase unless the Government granted farmers an increase of at least 3c a

dozen, the Egg Control Board chairman, Mr. David Jacobs, said yesterday.

And the increase would cost the country's largest chicken producer, Rainbow, at least £1½-million more a year which would

have to be passed on to the housewife, chairman Mr. Stan Methven said.

Rainbow estimated that the increase would result in the cost of producing a broiler chicken jumping by at least 4c, he said.

Delegates to the South African Poultry Association

tion's annual congress in Durban were unanimous that unless poultry and egg prices were increased significantly, these industries would be ruined.

Many felt that the 18 percent increase in the price of maize would add as much as 5c a dozen to the cost of producing eggs.

The problems of the poultrymen are compounded by the fact that there was a large surplus of both chickens and eggs.

The egg industry would be particularly hard hit and would result in many farmers going out of business followed by an egg shortage and a subsequent sharp price increase if a substantial increase was not given now, Mr Jacobs said.

Even if the price increase needed was granted, farmers could expect a difficult period as consumption would drop if the housewife had to pay more, resulting in still larger surpluses.

With these problems in mind, poultrymen listened intently yesterday to experts from the sugar and wine industries who described methods of controlling production to keep prices at optimum levels.

Mr Jacobs, who steps down this year after 23 years on the Egg Control Board — 18 years as chairman — said that on top of the maize price increase, which would push up the price of feed, farmers recently had to absorb a 23c a bag hike in the price of balanced rations.

29/4/76

STAR

Agric - Eggs

Agri - Eggs

R5m egg surplus^{DD} 29/4/76

DURBAN — South Africa has an estimated surplus of 850 000 cases of eggs which will cost the country more than R5 million to dispose of.

The chairman of the Commercial Egg Producers' Organisation of the South African Poultry Association, Mr. A. L. Karlsen, said that the "tremendous surplus" was a result of the Government issuing permits against farmers' advice in 1972 and 1973 when permits were handed out for some 640 000 birds which produced 384 600 cases of surplus eggs a year.

The Egg Control Board could be embarrassed at the end of the current financial year with over 850 000 cases of surplus eggs, he said. The board and the industry could thus be placed in a serious financial difficulties. —
DEC.

3 - Eggs

Cape Times 2/11/76

3 million eggs a week crushed

Chief Reporter

THE general manager of the Egg Board, Mr W C J van Rensburg, gave figures to the Cape Times yesterday which show that a weekly average of about three million surplus eggs are being "converted" into various exportable products at the board's Kraaifontein factory.

The daily average of eggs being smashed in this conversion process is 48 000 dozen — and the smashing is going on five days a week.

Mr Van Rensburg, in reply to

questions put to him by the Cape Times, said:

"This surplus must be exported, as local market prices will be forced down considerably if those eggs had to be offered here.

"The present producers' floor prices are about 2,35 to 2,6 cents a kg below production costs.

"If floor prices were to be reduced further, most producers will be forced out of production, resulting in very high consumer prices.

"Total exports of eggs and egg

products amount to only 8 to 9 percent of total annual egg production."

Mr Raymond Ackerman, one of South Africa's leading marketing experts, said in Cape Town yesterday that his organization had offered to launch marketing campaigns that could have reduced the egg surplus by half.

"But as in the case of dairy products, our offers have been ignored. What is desperately needed in this country is better marketing of our basic products.

"There's no politics in this — all we are offering is sounder marketing methods and closer teamwork."

3-eggs-

C.T. 6/12/76

Egg Board to sell surplus in SA

Own Correspondent

DURBAN. — The Egg Board can be expected to market most of its surplus of large and extra large eggs in South Africa next year instead of crushing them and exporting them at a loss.

This was revealed at the weekend by Mr Raymond Ackerman, managing director of the Pick 'n Pay group, following his special meeting last week with the general manager of the Egg Board, Mr W. C. J. van Rensburg, and its chairman, Mr M. Oosthuizen.

"It was a good meeting and the Egg Board has agreed to allow supermarkets to try and get people to eat more eggs during the months of surplus," said Mr Ackerman.

Early in the new year large-scale cut price promotions can be expected, he said. "We agreed to cut into our profit margins if they would cut into theirs and the producers."

Mr Ackerman was "thrilled" with the co-operation and foresight

shown by the Egg Board's top men.

At a recent private meeting about butter with the Minister of Agriculture, Mr H. Schoeman, Mr Ackerman requested meetings with all boards.

"The Minister felt the Egg Board should be first because of the unavoidable surpluses which exist at certain times of the year," he said.

As food prices rocket 1 000 000 a day are smashed

By DAVID ALBINO

WHILE housewives reel under the latest price increases, the Egg Control Board is carrying on smashing around a million eggs a day at its Kraaifontein factory — to prevent a surplus of cut-price eggs in the shops.

The broken eggs are processed into frozen products, mainly for export to Hong Kong and Japan — at a loss which is covered indirectly by housewives who pay a three-cent levy on every dozen eggs they buy.

It was announced this week that egg prices would rise, and so would butter, cheese, electricity and water.

But in the past year, a surplus of 850 000 cases of eggs — 30 dozen to a case — was produced in South Africa.

An Egg Control Board spokesman said exporting these eggs would mean a loss of about R5 million.

In the past few years, hundreds of millions of eggs have been smashed, mainly at the board's Kraaifontein plant, and exported at a loss.

In 1972/73, a total of 10,49 million eggs were smashed; in 1973/74, the figure was 21,61 million dozen eggs and in 1974/75 the number was 22,93 million dozen.

Eggs to compost

The frozen products obtained from the smashed surplus — consisting of yolks mixed with salt and sugar, plain whites and mixed yolk and whites with sugar and plain — are used in Hong Kong and Japanese bakeries and for making mayonnaise.

Kraaifontein produces about 10 tons of eggshells a day which are used in the making of compost.

A Control Board spokesman strongly defended the export of surplus eggs at a loss.

He said that since November 1973, egg production costs had risen almost 21 percent. The minimum producer's floor price set by the board had only risen by 0,68 percent in that period.

"There are very few lines of agriculture where there has been such a slight rise South Africa's egg prices are among the lowest in the western world," the spokesman said.

The surplus was only about 11 percent of the country's total annual production. "We have to export them because they would not be consumed in the country."

Cheap

Conditions were such that any egg-exporting country would lose.

The board's general manager, Mr W. C. J. van Rensburg, said no organisation could buy surplus eggs and sell them below normal price "because if we did, people would buy only the cheap eggs and leave the normally priced eggs. This would mean eight percent of the eggs would be left as surplus on the shelves."

But Mr Myburgh Streicher MP United Party's agricultural group chairman, this week criticised the Control Board for "rushing to cut its losses".

"It's difficult to see why these eggs cannot be disposed of on local markets by lowering egg prices."

Subsidy

"The losses could be covered by a consumer subsidy to ensure a reduced consumer price and a price for producers which would cover costs and give them a reasonable return."

There was no reason why the stabilisation fund could not cover local market losses if it could cover export losses.

It was "nonsense" to export eggs at a loss when a large percentage of South Africa's public could not afford eggs at current prices.

"The Government and the Egg Board should find ways to make the surplus available to everybody. It is acceptable to say we need overseas and foreign exchange but this can hardly be the case when we are exporting at a loss."

THE GREAT EGG FIASCO

31/10/76
sun Trib

AND TODAY'S OTHER FOOD SHOCKER

Sacca gets in early on butter price rise

By TONY SPENCER-SMITH

DAIRY products distributors Sacca Ltd admitted selling butter and cheese yesterday at the new wholesale prices which are only supposed to come into effect tomorrow.

They have also admitted wrongly dating yesterday's wholesale cash invoices "November 1" at their Merebank shop.

"It was all a hell of a mistake," Sacca's Natal sales manager, Mr A. S. Sutherland, said.

A Durban store owner, Mr S. Jangli,

bought butter and cheese wholesale from the shop yesterday. He showed the SUNDAY TRIBUNE two cash invoices dated November 1.

On one, he was charged R19,18 for 12,5 kg of butter. On the other, he had to pay R4,20 for more than two kilos of rindless cheddar.

"I was charged at the new wholesale prices," he claimed angrily.

Mr Sutherland agreed.

"I'm afraid a major mistake has been made by the clerk in our shop."

"Mr Jangli should have paid for the butter at R33,35 a case and not R38,35, which only applies from Monday. He was also wrongly charged R1,67 a kilogram for the rindless cheddar. The correct price until Monday is R1,35 a kilogram."

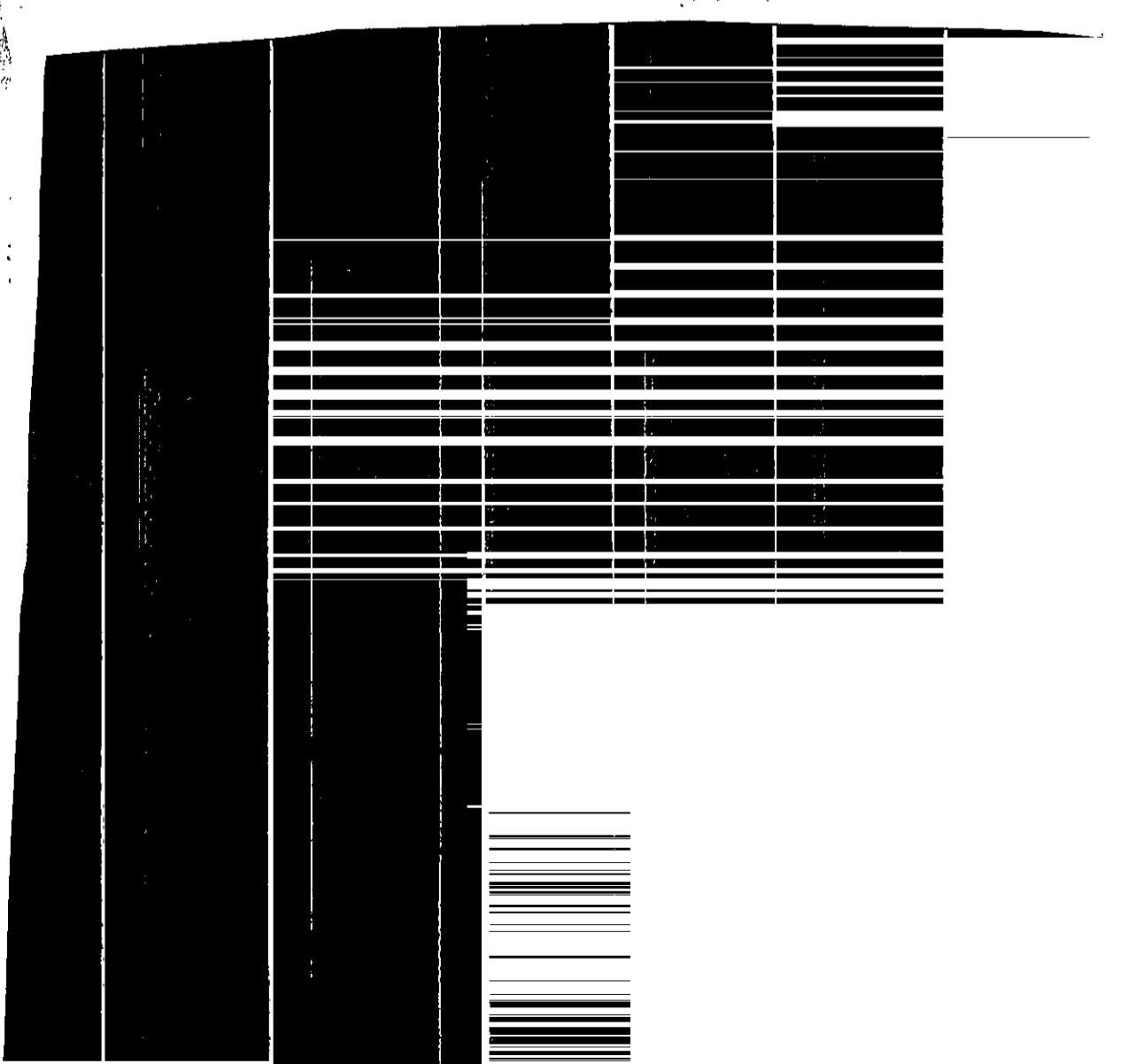
He said at least one other shop had been wrongly charged, and

other shop had been checking system. Mr also some Sacca staff members.

"It's unfortunate that this has happened. It was purely a mistake."

"It would have been picked up automatically on Monday by our checking system. Mr Jangli and everyone else involved will certainly get credit notes."

"I know it looks bad, but there was nothing behind it at all. And only a small amount of butter and cheese was involved."



EGGS

1977 — 1978 = ~~1979~~

~~3 - EGGS~~

~~JUNE 1977 — SEPT. 27~~

3 eggap

Hansard 4 vol 350 15/2/77

Egg production/surplus

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

- (1) (a) What was the egg production of the Republic in 1976 and (b) what number of the (i) production was surplus and (ii) surplus eggs were exported at a loss in that year;
- (2) what was (a) the total amount and (b) the average price per egg, obtained for the surplus eggs exported at a loss;
- (3) (a) what was the average price per egg paid in South Africa during the time the surplus eggs were exported and (b) to which countries were eggs exported in 1976.

The MINISTER OF AGRICULTURE:

- (1) 1975-'76.
 - (a) 295,5 million dozen (preliminary);
 - (b) (i) 28,4 million dozen;
(ii) ± 23,5 million dozen.
- (2) (a) R10 869 400 (gross) for all exports;
(b) 3,189c (gross) per egg for all exports.
- (3) (a) 3,8c (Retail, Witwatersrand);
(b) Europe, Asia, Middle East and Africa.

Standard 5 @ cols 439-442 22/2/77

3 eggs

The MINISTER OF AGRICULTURE:

Egg Control Board

410 Mr. S. A. PITMAN asked the Minister of Agriculture:

- (1) What was the weekly supply of eggs held by the Egg Control Board during the present season;
- (2) at what price per kilogram were eggs purchased from producers during this season;
- (3) (a) at what price per kilogram and (b) to which countries were (i) eggs and (ii) egg products exported during 1976;
- (4) what was (a) the cost per kilogram of such exports to each country and (b) the profit or loss on the export of (i) eggs and (ii) egg products, during 1976;
- (5) whether production quotas have been laid down; if so, (a) what are the names of the producers who hold more than 15% of the quotas and (b) what percentage does each of them hold;
- (6) how many egg producers are there in the Republic from whom the Board buys surplus eggs;
- (7) what amount was spent by the Board on advertising and sales promotion during 1976 (a) in South Africa and (b) abroad.

(1)		Cartons of 30 dozen
1976		
July	8	15 931
	15	18 633
	22	19 455
	29	16 779
August	5	18 865
	12	16 888
	19	28 272
	26	27 690
September	2	32 031
	9	32 460
	16	28 973
	23	31 590
	30	30 888
October	7	30 602
	14	34 951
	21	42 499
	28	39 733
November	4	28 786
	11	25 266
	18	27 380
	25	28 371
December	2	29 385
	9	16 507
	16	14 201
	23	12 841
	30	21 253
1977		
January	6	30 694
	13	38 723
	20	41 790
	27	43 231

- (2) Eggs are not purchased direct from producers but from 24 trader packers and seven producer packers on basis of the Board's floor price. Floor prices were—
 - (i) until 24 October 1976: 38,0c per kg (Western Cape and East London), 38,25c per kg (other areas);
 - (ii) from 25 October 1976: 41,0c per kg (Western Cape and East London), 41,25c per kg (other areas).

- (3) (a) 1976-'77 (July to January).
 - (i) Eggs in shell: R10,95 to R25,44 per carton.
 - (ii) Egg products:
 - Frozen whole egg pulp: R520,43 to R589,82 per ton.
 - Sugared whole pulp: R459,71 to R490,07 per ton.
 - Salted yolk: R1 209,99 to R1 331,60 per ton.
 - Sugared yolk: R1 214,33 to R1 301,07 per ton.
 - Frozen albumen: R284,50 to R333,94 per ton.
 - Albumen powder: R2 370,00 to R3 900,00 per ton.
- (3) (b) (i) Europe, Asia, Middle East and Africa.
 - (ii) Europe, Asia.
- (4) (a) The average cost per carton of 30 dozen eggs was R6,41. The average cost of egg products on basis of a carton of 30 dozen eggs was R6,96.
 - (b) Average loss July to December 1976 was—
 - (i) on eggs per carton of 30 dozen: R2,23.
 - (ii) on egg products on basis of carton of 30 dozen eggs: R6,07.
- (5) Production is controlled in terms of Act 61 of 1970. Producers must obtain permits if they wish to keep more than 5 000 hens. No individual producer holds permits for more than 15% of the total number of hens for which permits have been issued.
- (6) None. The Board purchases eggs only from registered packers.
- (7) (a) R77 500 (July-December 1976).
 - (b) None. Personal visits by the management and board members

*ensure better sales
or contact with
importers & consumers
of egg products*

ARGUS 12/15/77

Surplus egg-laying defended

THE production of surplus eggs and the system whereby such surplus is bought up at a fixed price to stabilise the price was today defended by the chairman of the Egg Producers' Association, Mr A. E. Karlsen.

Mr Karlsen told delegates at a meeting of the South African Poultry Association that demand fluctuated sharply in seasons and from mid-month to end-month. To cope with increased demands, surpluses in times of reduced demand were unavoidable. In addition, surpluses had to fill the gap created by unsellable eggs — with soft shells or blemishes — or eggs either too big or too small.

He warned that in the present 'gigantic financial tornado' a number of producers would fall by the wayside.

'We are moving into an era of very big agribusiness' he said. An entirely different Government approach was needed.

Whatever the coming surplus, producers would

ask the Government to approve an extra 2c a kilogram to add to the present price of 41,25c a kilogram paid for surplus eggs.

These eggs would be sold at reduced cost, probably in a sponsored 'egg month' this year when all retailers, distributors and producers would take part.

③ eggap

(3) Eggs

(3) Meat

Poultry men warn of higher prices

13/5/77

RDM

Own Correspondent

CAPE TOWN. — The short term future of the South African poultry industry is bleak with both egg suppliers and chicken producers locked in a struggle for survival.

And the consumer is threatened with higher prices in spite of surplus production.

This is the message coming out of the annual congress of the Poultry Association which ends in Cape Town today.

The chairman of the

Commercial Egg Producers' Organisation, Mr. A. E. Karlson, yesterday warned delegates that falling returns and takeovers by big business were a major threat and a number of producers would "fall by the wayside."

"With ever-rising costs we have little hope of realising a producer price that is going to give us a fair return on invested capital."

The retiring chairman of the Table Poultry Producers' Organisation, Mr. Stan Methven, warned that

a big price increase would be necessary if producers were to survive present slump conditions in the R200-million a year broiler industry.

The next two years would be gloomy with housewives being asked to pay up to 20 per cent more for chicken, he said.

GERALD REILLY reports from Pretoria that all basic food prices will rise this year, according to Government sources.

The only way this can be avoided, they said, is for farmers to accept lower profit margins.

So far, mealie meal and a large variety of tinned and processed foods have risen sharply.

Later in the year the price of bread will rise by about 2c a loaf and sugar producers, currently selling sugar on the local market below production costs, are certain to be given relief.

And from Cape Town yesterday the Minister of Agriculture, Mr. Hendrik Schoeman, said butter and cheese might also have to be increased in price later in the year.

Handwritten scribble: Poultry

3-Egg

15 June 1977

PRESS RELEASE BY THE HONOURABLE HENDRIK SCHOEMAN,
MINISTER OF AGRICULTURE

LIFTING OF CONTROL OVER EGG PRODUCTION

Legislation empowering the exercise of control over the production of eggs was passed by Parliament in 1970 and the regulations in terms of which such control is exercised became effective at the beginning of 1971. The object of these regulations was to ensure orderly entry into the trade at a time when the sudden entry of large and financially powerful companies threatened to cause serious disruption within the industry. It was never the intention to exercise permanent control over egg production as it is not policy in the Republic to restrict the production of food.

As I announced recently, a stage has now been reached where the necessity for the continuation of permit control over egg production can be questioned. Practical problems which have arisen have made the fair application of permit control increasingly more difficult. On various occasions these aspects have been discussed with representatives of the Poultry Association and the Egg Control Board.

In the circumstances I have decided to repeal the egg control regulations on 1 July 1977.

RELEASED BY THE DEPARTMENT OF INFORMATION AT THE REQUEST OF
THE MINISTRY OF AGRICULTURE.

CAPE TOWN
15 June 1977

N. Mervin

19/7/77

Increase in egg price 'unlikely'

3 - Eggs

Agricultural
Correspondent

AN application for an increase in the egg price is likely to be turned down by the Minister of Agriculture in spite of spiralling production costs.

Mr. A. E. Karlsen, a Natal poultry farmer who is chairman of South Africa's Commercial Egg Producers' Association, said yesterday that producers had applied to the Minister of Agriculture, Mr. Hendrik Schoeman, for an increase in the price of eggs to offset higher maize and fish meal costs.

Mr. Karlsen said, however, that the minister appeared to be "stalling" on his decision. He said that egg producers would probably have to absorb the higher production costs themselves. Mr. Karlsen said that many small producers were going out of business.

Since the recent repeal by the minister of the regulations governing the production of eggs in South Africa, only a few farmers had decided to increase their egg production.

He said that the giant poultry farms owned by feed companies would undoubtedly expand production "to satisfy milling demand."

D.O. 29/7/77

Eggs to ³⁻_{Eggs} cost less

JOHANNESBURG — Good news for housewives — the price of eggs will drop 10 per cent within six weeks when the Egg Board launches a national campaign to avoid a surplus.

A spokesman for the Egg Board said yesterday this would mean eggs would be sold at three to six cents less per dozen from September 16 to October 15. This would virtually be at cost price.

However, he warned that when egg prices were lowered drastically the producers would be discouraged. This could result in a scarcity of eggs and prices might be increased again. — DDC.

would have to exploit people to teach them on new projects initially. worker; knitting, develop in visiting act continue on employment training close cooperation or similar schemes else those which had failed.

3-Eggs

Eggs expected to cost less

Mercury Reporter 1/9/77

A SHOE price increase is expected in a few months - while egg prices are expected to drop in mid-September.

It is clear that correct staff

5. Development: The centre could scale, with known personnel, dealment could then take place gradually their contact with the local people optimal way one could develop job situation. The initial requirements

(a) one would need a suitable site initially erected (or an existing) have considerable room for expansion agricultural plots available so could be demonstrated as part of the worker's problems.

(b) one would need an initial capital was implemented. One could envisage would be on the sewing/knitting/ perhaps R5,000 for buildings, materials salaries. When this was established, a second stage might be aimed at building skills; this would need more capital, perhaps R20,000, as it would involve purchasing machine tools, welding equipment, etc., as well as an extension of the buildings and an increase of staff. A third stage might possibly involve agricultural tool development and repair. However it would be against the whole spirit of the centre to suggest one could plan these stages in advance, before intimate knowledge of the needs of the community, which can only be obtained by establishing the first stage, is to hand.

It would be possible to set up the initial stage of the project, with a staff of two people already in contact with local needs, almost immediately, if a site were available; further development would be consequent on their reports of local needs.

6. Management: While backing for the scheme would be obtained from as wide a group of people and organizations as possible, a prerequisite for success would be that the actual managing committee which looked after appointments and advised the staff, should consist of a group of people who already have a fairly good idea of, and involvement in, local

skills are needed to have to learn them and do small experiments.

They might need (metal and wood-weaving, sewing, these people would be. Part-time and the team would inter-visit Africa for ideas on techniques, and clothes, would require. The staff would be succeeded, as well as

key to the scheme.

Immediately, on a small scale. The development personnel, from a clearer picture of the situation within the existing

building could be used, but which would have some small gardening techniques. A preliminary approach to

Each stage of the scheme requires an initial development with a capital of R5,000, and initial

The chairman and members of the Natal Poultry Association attended a meeting in Pretoria yesterday to discuss prices and the promotion of "egg month" with the Egg Board.

Meanwhile South Africans can expect to pay up to 30 percent more for shoes in a few months time.

A spokesman for the shoe industry in Natal said various cost factors would lead to price increases of 12 to 30 percent.

One major reason for price increases is the changeover to the monodimensional system of metricated shoe measurements which will cost the industry millions of Rand.

Other reasons were higher import duties on leather and machinery, wage increases and the increased cost of raw materials.

Price of eggs will drop for a month

3-Eggs

Mercury Correspondent

JOHANNESBURG — Eggs will drop in price — in one size by four cents a dozen — for a month in large cities and towns, the Egg Control Board announced in Johannesburg yesterday.

The temporary drop in prices — an “egg month” — has been organised by the egg industry, the Egg Control Board, a large number of retailers and egg packers and producers. It will last from the middle of this month until mid-October.

Spokesmen for major supermarket chains said the price of a dozen large eggs would be reduced from 53c to 49c during the month. Extra large eggs would drop in price by 1c or 2c.

One chain has already lowered prices.

In a statement the Egg Control Board said the price decreases coincided with the peak egg production period. Prices would return to their present levels at the end of the “egg month.”

Consumer spokesmen welcomed the drop in prices. Mrs. Yvonne Forshaw, vice-president of the Housewives League, said: “It’s wonderful. Eggs are one of the most useful of our foods and important for proteins.”

She expressed the hope that the Egg Control Board “might find itself able to continue supplying eggs at the lower price” after the month, or “something in between the lower price and the present price.”

Mr. Mike Hawkins, public relations officer for the South African Coordinating Consumer Council, said he welcomed the price decrease which would bring eggs, a basic and important food, more into the reach of the consumer.

Mr. Eugene Roelofse, consumer ombudsman for the South African Council of Churches, welcomed the drop in prices even though it was only temporary because “even a month is better than nothing.”

Export loss on surplus eggs

Own Correspondent

DURBAN — More than 300-million surplus eggs are to be exported at a loss.

Announcing this yesterday, Mr. W. G. van Rensburg, general manager of the Egg Control Board, said they could not be sold locally at a reduced price.

Experience had shown that a 10% price cut led only to a 1% increase in consumption.

"Consumer prices would have to be reduced by nearly 50% to ensure any worthwhile increase in sales. If consumer prices were reduced to that extent, producers would receive so little they would be forced out of business."

This year's surplus is 39% higher than last year, but it still represents less than 10% of total production.

Mr. Van Rensburg said most hens are found in units of 50,000 or more.

1977

J. GERSON

BETWEEN NATIONS

- 1.1 The Ricardian model.
- 1.2 The gains from trade.
- 1.3 The Heckscher-Ohlin models.
- 1.4 A brief mention of the underlying assumptions and limitation of these models.

- References: (1) Södersten: Chapters 1, 2, 4
(Chapter 3 merely for background)
- (2) Any other International Economics textbook e.g. Findlay: Chapter 3.

2. The Infant-Industry Argument

- References: (1) Corden: Chapter 9 (an essential reference)
- (2) Any other International Economics textbook would provide interesting additional reading but Corden's treatment is unsurpassed (of the books I myself have read).

3. On Trade (and Investment) between developed and less developed countries

3.1 New Commodities & "Imitation Gap" (applicable to trade between any two countries but of particular relevance to less developed countries).

Reference: Findlay: Chapter 4.

3.2 Singer-Prebisch model of "Export- and Import-Biased Growth" as applicable to less developed economies.

Reference: Södersten: Chapter 9, pp. 136-138

3.3 A general review of the impact of established trade and investment patterns on less developed countries.

- References: (1) Cohen: Chapter 5, part 6 (NB)
- (2) Singer's article in American Economic Review (not so important)
- (3) Any of the many other books and articles pertaining to these issues, including Barrat-Brown (on the "Left"), Bauer (on the "Right"), etc.
- (4) On the impact of investment on LDC's of 19th Century, for additional reading refer to Nurkse's chapter in Cooper: International Finance

(For the full title and publication details of sources referred to above, consult the back of the original course outline.)

in the promotion has been attacked as being unfair on the chains with the most branches.

The Board is paying R60 000 to help with advertising. And according to Harold Goldberg, Checkers' national merchandising manager (perishables), his group as well as Spar, OK and Pick n Pay get R12 000 each. The remaining R12 000 is split among the smaller firms taking part in the scheme.

But, he complains, it costs Checkers a lot more to advertise the new egg prices at all its 153 shops than it costs Pick n Pay, which only has 40 branches.

"The money should have been allocated on the basis of number of branches or the number of eggs sold or the amount spent on advertising," says Goldberg.

Richard Cohen, a Pick n Pay director, counters: "We move more eggs per store than Checkers and if we don't sell more in total than they do we are on a par with them. Whatever we got from the Egg Board -- I am not saying how much we got -- we were entitled to, especially as it was Pick n Pay that first suggested this promotion to the Board."

Egg packers have contributed to the promotion by giving the stores a 1.5c price reduction. The stores themselves have cut their margins drastically to bring the retail prices down by around 3c (for large) and 5c (for extra large) a dozen.

Goldberg says sales at many Checkers stores have doubled. Checkers prices are 50c for large (53c previously) and 53c for extra large (57c).

Willem van Rensburg, manager of the Egg Board, says he will be happy if sales

increase by 3% to 4%. The advertising money, he says, was not distributed equally among the big groups. Payments were made in relation to the amounts each firm was prepared to spend on the promotion.

"In some cases retailers are selling at cost," says Van Rensburg.

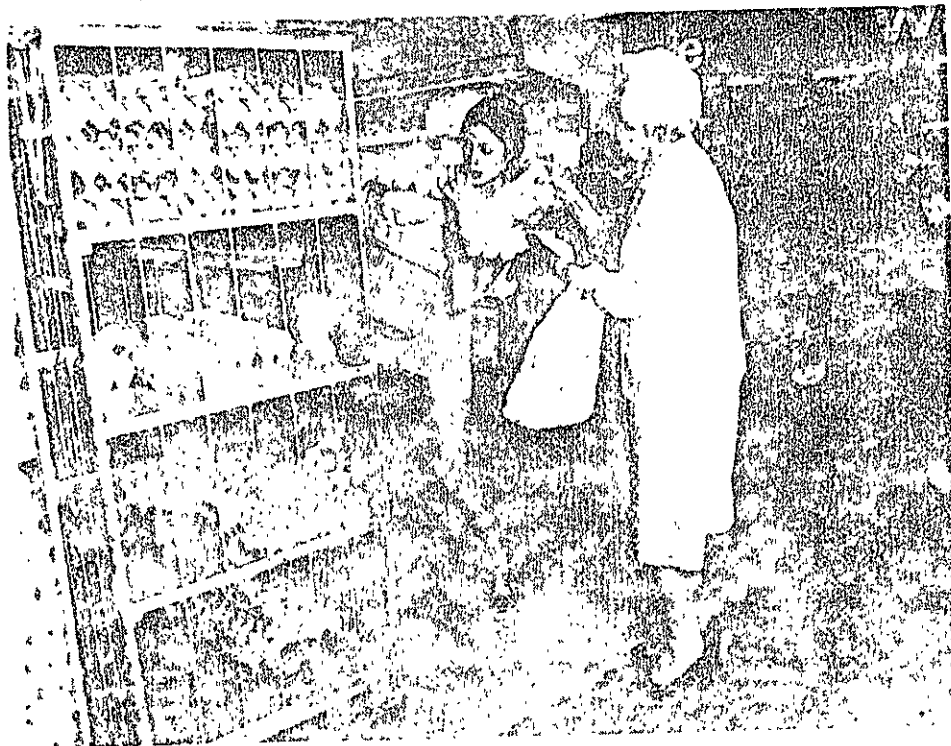
He says that 85% of the expected surplus had already been sold forward to June next year. Export prices were good, but eggs were still being sold at a loss because of substantially higher costs of such things as packaging and freight.

He says the surplus eggs sold so far amount to 25.5m dozen which would earn R13m in foreign exchange. They had been sold to countries in the Far and Middle East and Western Europe (outside the European Common Market).

In the year ending June 1977 the total egg production was 300m dozen and the surplus of around 9% was exported. The producers' gross income was R69m.

FIN. MAIL
23/9/77 (3000)
EGG SALES
Scramble for subsidy

The Egg Board's egg promotion month -- it ends in mid October -- is something to cluck about as far as sales are concerned. But its distribution of the advertising subsidy it is giving to the half dozen retail groups and stores taking part



Time to put a lot more eggs in your basket

Surplus set to force down egg prices

RDM

11/2/77

(Egg Control Board)

3 Eggs

By CHRIS CAIRNCROSS
Industrial Editor

EGGS are one of the few consumable items that seem destined to drop in price.

This is because increased production, combined with a decline in demand, is threatening to lead to unacceptable surpluses.

The Egg Control Board is expected to reduce the floor price — usually set 5c a kg below the costs of production — in an effort to depress prices and regenerate demand.

Egg producers work on a July to June financial year and in the last financial year produced 300-million dozen eggs with a gross value of R85-million.

This production led to a surplus of about 9% — 10% is

regarded as acceptable by the Egg Board to cover the vagaries of demand — which was exported, mainly to Japan. This earned foreign exchange of between R12-million and R16-million.

For the 1977-78 year, on current growth and demand prospects, the surplus is likely to be 44% more than that experienced in the year to June last, says the Minister of Agriculture, Mr Hendrik Schoeman.

This, it seems, is based on a projected annual growth in production of about 3% to 5% — it was up at about 12% 18 months ago — and a considerable drop in domestic demand as a result of the recession.

Based on the estimates it seems that South Africa can bargain for an egg surplus of about 36-million dozen in the year to June, 1978.

These the Egg Board will have to sell overseas, as its basic function is to stabilise the market by removing surpluses.

Although the export price is considerably higher than in South Africa, and the foreign exchange earnings are not inconsiderable, the actual revenue for egg producers will still be below their production costs.

This is due to the distance from the markets, transport and packaging costs.

Business conditions being experienced by egg producers are making survival an uphill battle.

Feed prices, which constitute about 70% of production costs, have shot up by about 95% in the past five years.

The consumer price of eggs has, in the same time span, moved up 58% forcing producers to absorb an increasing proportion of the costs.

According to the Department of Agricultural and Technical Services, the smaller producers have generally been the hardest hit, and have in many instances been forced to leave the industry.

About 60% of the total egg production is supplied by less than 7% of producers. A year ago this was 18%.

EGGS

3

FM 20/1/78

Dearer by the dozen

Amid the clamour surrounding bread and sugar price hikes the humble egg is completely overlooked. Yet more forgotten are the even humbler egg producers of whom 17% last year gave up the business as a bad job.

"Eggs are about the same price now as in 1945," says SA Poultry Association general secretary Zach Coetzee.

Crux of the problem is marketing. Of last year's 3 600m eggs (up 3,1% on 1976 despite a 41,8% jump in feed costs) a disproportionate *per capita* amount went to the white market while township blacks bought the protein-crammed food only in twos and threes and often singly.

Main reason for this is that township

prices are usually 50% and more higher than those paid by white housewives in neighbourhood supermarkets.

Despite the persistent increase in consumption the Egg Control Board has to buy up (at 43c/kg — about 18 eggs) up to 10% of each year's output for disposal as a loss-making export to neighbouring states.

It would be cheaper for the country and beneficial to the industry if the surplus could be diminished locally, preferably by much more selling at cheaper prices to blacks.

Television advertising, which in other countries quickly turned a rural sideline into a major economic sector, won't work in SA. Whites, who have sets, could hardly eat more eggs while blacks, the market target, are still little exposed to the mass persuader.

The only other rallying point to which producers could turn for a badly-needed generic promotion campaign is the Commercial Egg Producer Organisation (part of the SA Poultry Association) as the Egg Control Board's function is simply to stabilise the market (mainly by ensuring a floor price) although it does a little promotion work.

Bad as 1977 was for the R80m-a-year industry, prospects for 1978 are probably bleaker. Production is again expected to rise, while the rate of consumption growth drops, to furnish an even bigger surplus.

Nov 24/78

Price of eggs ³egg to rise

Eggs will soon go up 5c a dozen. The Egg Board said today it was not its fault.

"We buy surplus eggs only and fix the floor price of those," Mr. Willem van Rensburg of the Egg Control Board said today. "This increase has nothing to do with us."

Eggs will cost in the region of 60c a dozen for large and should go up on February 6. Mr. Zach Coetzee, of the SA Poultry Association, said more than 20 percent of egg producers had given up production in the last 18 months because the industry was not profitable enough.

"Costs have increased eight to 10 percent overall since last May. Feed which is 70 percent of production costs increased by seven percent which is 4.9 percent of the overall increase. This was partly due to the rail subsidy on maize being withdrawn," said Mr. Coetzee.

N.M. 26/1/78
**Keep eggs
cheap plea**

JOHANNESBURG — The Housewives' League yesterday appealed to the Egg Board to make some of its surplus available on the local market at reasonable prices.

Eggs were a valuable food and the high price of other protein foods made it particularly important to keep the price of eggs as low as possible. Mrs. Joy Hurwitz, national president of the league, said yesterday.

She was reacting to the news that producers seem likely to increase their prices by 5c a dozen next month.

③ Egg board rejects offer for surplus

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

If the offer had been accepted, it would have meant that the public would have been able to buy eggs at about 36c a dozen instead of the present 58c a dozen.

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

Mr Van Rensburg said in the letter that the board could not accept that all saleable egg surpluses could be disposed of at reduced prices without seriously affecting normal egg sales at ruling internal

market prices.

However, the sales promotion manager of the board, Mr H. Van Wyk, yesterday denied the board had turned down the offer from Checkers.

Mr Van Wyk said the offer had not been turned down but Checkers had been asked to provide certain guarantees. One of the guarantees was that the surplus eggs be made available to other super-market chains as well.

"If Checkers sold eggs at reduced prices, then there would be a surplus created at other super-markets which the board would be obliged to buy," Mr Van Wyk said.

"This creates a vicious circle." — DDC

Cut-price eggs 'a threat'

NM 25/2/78
3-ECMS

Agricultural Correspondent

THE general manager of the Egg Control Board in Pretoria, Mr. W. van Rensburg, yesterday denied the Board had rejected an offer to buy surplus eggs.

He said: "The Egg Control Board did not reject the offer by Checkers. We discussed the matter and pointed out the problems of their plan. They were advised that we would consider their proposal at the next Board meeting in April."

However Mr. Harold Greenstein, a Johannesburg spokesman for the supermarket chain was adamant the Board had rejected the offer and said he had a letter to prove it.

Rumpus

The rumpus appears to be based on a misunderstanding. In Mr. van Rensburg's letter to the supermarket he said: "We cannot accept that all saleable egg surplus can be disposed of in the Republic and, reduced prices, will seriously affect

normal egg sales at ruling market prices."

Mr. van Rensburg said it would be impossible to sell surplus eggs at 36c a dozen and still maintain normal sales of higher-priced eggs.

He said retailers had to sell at an average price and even if the supermarket's suggestion was followed the prices of eggs could only be reduced by 1/2c a dozen.

He said South Africa's egg surplus was only 8 to 9 percent of a total estimated egg production of 300 million dozen annually.

Freight

Mr. van Rensburg said surplus eggs sold overseas actually sold at higher prices than in the Republic but increased packaging and freight costs brought about a loss.

Mr. A. Karlsen, a Natal egg producer, who is chairman of the Natal and South African Commercial Egg Producers' Association, said he fully supported the stand taken by the Egg Board.

He said there would be "chaos" on the local market if the egg surplus was absorbed.

The surplus gave stability to both consumer and producer alike and the market would collapse if prices dropped.

HANSARD. 7 16 March 1978.

Questionnaire to workers

Question 350 Cols. 422.

Name (first name)

Farm number

5 MARCH 1978

422

3 Eggs

1. How did you

Eggs

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

2. Have you ever

If yes, when

(1) (a) What was the egg production of the Republic in 1976-'77 and (b) what number of the (i) production was surplus and (ii) surplus eggs were exported at a loss in that year;

in a city?

(2) what was (a) the total amount and (b) the average price per egg obtained for the surplus eggs exported at a loss;

(3) (a) what was the average price per egg paid in South Africa during the time the surplus eggs were exported and (b) to which countries were eggs exported in 1976-'77.

3. What sort of

on a farm

The MINISTER OF AGRICULTURE:

rather do - either

(1) 1976-'77.

(a) 298,3 million dozen (estimate);

(b) (i) 23,5 million dozen;

(ii) 21,5 million dozen;

4. What jobs

Why?

(2) (a) R9 376 384 (gross) for all exports;

to do?

(b) 3,519c (gross) per egg for all exports;

(3) (a) 3,8c (Retail);

(b) Europe, Asia, Middle-East and Africa.

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

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

Problems

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

In your living conditions? (housing, recreational facilities)

producers would like egg quotas back. They are also working on suggestions for voluntary controls and for boosting exports. Failure to agree could cost them dear in a price war.

Broilermen are in a similar predicament except that they can barely afford to produce, let alone drop prices.

From a backyard business 20 years

ago, the chicken industry has, especially in the past five years, become a key agricultural sector. An estimated 25% of meat eaten (by mass, not price) now comes out of broiler houses.

These broiler houses, just like nut-and-bolt making machines, are efficient only when going flat out all the time. Any cut in volume adds to the unit price of

chickens which are already often being sold to wholesalers at below cost.

With *per capita* consumption falling, and more highly intensive farms coming on stream, broilermen can do little more than hang on for better economic times.

As a philosophical SAPA delegate said after the agm: "The solution to all our problems is just one normal year."

dormitories, let alone rainwater drains. (See photograph, page 40).

ABLUTION BLOCKS:

Ablution blocks 'belong' in dormitories. Sometime ago, the chicken industry has, especially in the past five years, become a key agricultural sector. An estimated 25% of meat eaten (by mass, not price) now comes out of broiler houses. These broiler houses, just like nut-and-bolt making machines, are efficient only when going flat out all the time. Any cut in volume adds to the unit price of chickens which are already often being sold to wholesalers at below cost. With *per capita* consumption falling, and more highly intensive farms coming on stream, broilermen can do little more than hang on for better economic times. As a philosophical SAPA delegate said after the agm: "The solution to all our problems is just one normal year."

There is approximately 1 bowl has a proper seat. Toilet doors are often 1 some doors are stolen by necessary if the hostels

There is approximately 1 but very infrequently do

The ablution blocks do not have water taps, and the water in the shower area the water has to dry naturally. At the moment of covering. With the electric bulbs. Like the dormitories

POULTRY ^{3 eggs} ~~FM 19~~ Cock-a-doodle-don't FM 19/5/78

Unless the too-efficient egg industry can substantially cut back on production there's going to be a price war.

To align output with expected future demand means phasing out about 5% of the present 15m layers. Failure to comply with a voluntary quota system among the 800 egg farmers will mean even more small men being killed off before Agriculture Minister Hendrik Schoeman has a step in, as is likely, to reimpose some sort of order.

The beleaguered industry had another major setback last July when production control was scrapped. Those who cheered the decision have quickly realised the folly of unrestricted laying in a declining market.

The free rein given during the past 12 months has already resulted in dozens of small independent suppliers leaving the business (many selling out to big firms) while last year the Egg Control Board had to buy in as surplus 9.45% of the 3 600m eggs produced. This overproduction this year is expected to be slightly higher.

Rumblings coming out of the S. Poultry Association agm in Port Elizabeth (FM May 5) indicate that the t

Financial Mail May 19 19

live in the adjoining which blocks belong to the statistical data under date.

Not one lavatory is fitted with lavatory paper.

It may be surmised that the course would not be the same with doors. (Photo. p.26).

Most showers have hoses, (see photograph, page 21).

they do have are cold showers. If the tap is in the shower floor remains wet until the concrete and have no formwork. The showers are lit by bare electric bulbs.

POST OFFICE HUTS:

The Post Office provides 58 prefabricated huts for their employees. These are all uniform and house 6 men per hut in two-tier bunks. Somewhat strangely all the windows are painted green.

The conditions are very cramped inside the huts but as uncomfortable as they are, it is doubtful whether the men would prefer the large dormitories. The cubic air space per man is 192 cubic feet. This is 208 cubic feet less than the minimum set down by statute.

Egg prices smashed in price war

3-E99S

MM 14/7/78

Agricultural Correspondent

NATAL'S current surplus of more than 1 000 000 eggs a month has set off a price war.

Prices in some outlets have dropped from 60 cents to 41,5 cents a dozen, the cheapest price for eggs in five years.

Egg suppliers to super and hypermarkets in Durban yesterday dropped prices by as much as 30 percent in an attempt to reduce the egg surplus in Natal.

Other suppliers and retail outlets are likely to follow suit if they hope to maintain their share of the market.

There is nothing new about a surplus of eggs in South Africa - the Egg Control Board maintains a surplus over consumption in order to stabilise prices to consumers - but the tight economic climate has seen egg sales drop.

At present the board is siphoning one million eggs a month off the local market and exporting them to the Far East.

Mr Cedric Savage, marketing manager for Tongaat Eggs which controls 45 percent of the fresh egg market in Natal, confirmed yesterday that his company had dropped prices to stores. Other suppliers said they would follow suit.

According to Mr. Savage the overproduction of eggs can be blamed on the Egg Control Board for not keeping a tighter rein on the issue of permits to egg producers.

He said although the Minister of Agriculture had scrapped the permit system last year, too many permits had been previously issued to small producers.

Mr. B. Truter, manager of the Natal Egg Circle in Durban, said the permit story was now history.

He believed that the present surplus problem had been aggravated by the present economic climate which had forced consumers to eat less eggs.

(5) R. Muth - Urban Economics

Topic: Critical analysis of Sarajevo in 1914. Maximum format: 1) Every... 2) All... 3) The... Works in Short Loans: W.J. Mommsen, 'The Debate... Contemporary History, Vol... I. Geiss, 'The Outbreak of Aims' in Journal of Cont... J. Remak, '1914: the Third Journal of Modern Histor... A.J. Mayer, 'Internal Cause... Journal of Modern Histor... P. Loevenberg, 'Arno Mayer... 1871-1914... Nationalism and the... Modern History, Vol... M. R. Gordon, 'The... World... Modern History, Vol... L. F. ... of ... N. ... Contemporary History... J. ... Steinbe... 1914... H. ... F. ... L. ... H. ... A. ... T. ... L. ...

Since the short run effect of the increase in property rates is to make the return after tax in the taxing community lower than elsewhere, the long run supply curve of taxable property shifts to the left by the amount of the increase in rates. The result of property in the taxing community or the price paid by buyers from Ro to R2, while the return received by owners is higher falls from Ro to R3.

Housing and other real property are produced using both land and non land capital. The supply of land has a zero elasticity for a particular area, and hence with the introduction of differential rates, less non land capital is invested in the taxing community, and is invested elsewhere instead. As more non land capital is used in the production of real property elsewhere, the amount of land used and its demand for real property elsewhere, the rental value of non land capital falls. Hence the rental value of real property outside the taxing community of R2 is cause a greater quantity of non land capital and the same amount of land capital are used in its production.

Both inside and outside the taxing community the return to land is left... in Journal of... ar and German War... Vol I, No 3, 1966. ns Reconsidered' in 1971. e 1870-1956' in... of Europe... of the First... in Journal of... in Journal of... Society in Part and

Differential rates exist in the Cape Town area as is evidenced by the table below:

Table 1 - Assessment Rates 1976 (6)	Latest valuation
52	1971
77	1970
103	1970
115	1971
125	1976
	1971

Egg production to be controlled to stem surplus

By BERNARDI WESSELS
Pretoria Bureau

PRODUCTION control is to be imposed on the egg industry soon to stem serious surpluses that are exported by the Egg Control Board at a heavy loss.

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

Mr. Schoeman said the stability of the egg industry was being threatened by the surpluses and steps to create greater orderliness in production and marketing had become imperative to reduce the export losses.

But the Rand Daily Mail's Maritzburg correspondent reports that the

visiting Governor of Texas, Mr. John Connally, disagrees with the Minister on principle.

Speaking at Howick, Mr. Connally said the Government should be seeking profitable export markets for surplus food rather than controlling agriculture.

Mr. Schoeman said, though, that after representations by the Poultry Association, and on the recommendation of the Egg Control Board and the National Marketing Council, he had decided to make the controls temporary.

They take effect on September 15.

Details would be an-

nounced shortly, Mr. Schoeman said.

"It must, however, be brought to the attention of egg producers that the proposed measures will make provision for strict control over the issuing and transfer of permits, and for a compulsory percentage reduction in laying hen flocks," he said.

"This reduction will be based on the number of laying hens in the possession of the producer over a specific period prior to June 30 this year."

He added that the export losses accrued mainly through processed eggs.

"These conditions, together with recent production and consumer trends, threaten the stability of the egg industry," he said.

Mr. Connally, on the other hand, urged farmers as a whole to take the initiative in solving their problems. They should not allow the Government to dictate to them, he said.

There was a role for the Government in agriculture: to sell surplus food on the world markets.

But farmers should not expect the Government to step in and help them. Where the Government helped, the Government controlled, he said.

He was basically opposed to price fixing, and believed in the free enterprise system.

Farmers had to learn to market their products through their own national organisations.

Resources had to be pooled and marketing campaigns undertaken.

Farmers should insist that the Government develop export programmes to help those who produced a surplus.

Mr. Connally added that farmers should also set about implementing research to offset the inroads being made by man-made products.

And he pointed out that the number of farmers in South Africa — as in the United States — was decreasing every year.

This meant the political power once wielded by the farming community was diminishing, as well, he said.

R.M.
36

29/8/78

Eggs

Star 29/8/78

3-EGGS

Surplus of eggs led to control

A one-million-case surplus of eggs lies behind the decision of the Minister of Agriculture, Mr Hendrik Schoeman, to introduce egg production controls from September 16.

The chairman of the Egg Control Board, Mr Marius Oosthuizen, said today that the slackening in the demand for eggs had allowed the small surplus usually kept in stock to grow to absurd proportions.

He said the industry could not export the surplus without a loss, and pointed out that egg producers did not receive Government assistance for this.

NO PRICE CUT

"We cannot reduce the price because recent experience in the Cape showed that a reduction of 15c a dozen did not materially increase the demand."

"The only way to stabilise the market is to reduce the number of laying hens," he said.

The SA Commercial Egg Producers Organisation has welcomed the introduction of controls. Its chairman, Mr Erik Karlson, said today:

"This is one of the only ways to stabilise the shaky egg industry."

EGG SURPLUS

Home to roost

3 eggs
FM 8/9/78

Agriculture Minister Hendrik Schoeman's reconrol of egg production comes as a relief to many suppliers who only last year pressed for an end to the permit system.

Farmers are now losing about 3c a dozen on production costs of 45c and much more when the price of grading, packing and transport is added. Exactly the opposite to what was expected by those who lobbied for restrictions on the number of flocks and their sizes to be removed.

State intervention is prompted this time, ironically, because the R80m-a-year industry is too efficient (*FM* April

5). Productivity is so good that last year's buying in of the surplus, at the floor price of 43c/kg — about 18 eggs — has risen from 9,45% of the 3 600m eggs laid to 12,5%. These are sold overseas at a loss. To make matters worse, even the better-bred hens have boosted personal production by 9% to 250 eggs a year.

SA Commercial Egg Producers' Organisation chairman Erik Karlsen says: "Feed (up 28% in the 12 months to July) is responsible for 92% of the production cost of a dozen eggs. A realistic price would be 70%."

From September 15 Schoeman will peg the number of layers in controlled areas at the end-June level of almost 6m. This is likely to be no more than a holding action until directives are issued to cull 5%, possibly 10%, of flocks. Such drastic measures (likely to be aimed more at large laying stations) will save a lot on feed bills but their impact on overall production costs will be less dramatic. Sup-

pliers have already built up facilities and staff to cater for an annual market growth of 8%. Instead it has fallen 3%.

Stabilising the industry will need firm guidance from Schoeman who has to deal with factions advocating widely differing policies while dozens of their colleagues go broke. The lobby that wanted permits, that limited laying flocks, phased out over 18 months saw consumer demand increasing. Schoeman no sooner scrapped the permit system at a stroke in July 1977 and the market sank.

Karlsen says the number of registered egg producers has fallen from 903 in 1976 to 690. Some went bankrupt, many simply got out as margins shrank and others sold out to the big feed companies.

Talk of voluntary controls at the SA Poultry Association agm in May have come to nothing and the egg glut gets worse. The only alternative to whatever Schoeman does is another free market disaster.

Ackerman to fight egg cartel scheme

10/12/58
3 Eggs
Branches
Trucks

THE price of eggs could double within a year, despite the current massive production surplus, if the large milling companies are successful tomorrow in galvanising about 700 independent egg producers into a giant co-operative marketing cartel to control this R100-million a year industry.

The millers, which include giants like Tiger Oats and Premier Milling, have set up a crucial meeting with about 50 representatives of the independent producers who supply about 40 per cent of the market.

They will meet at a Jan Smuts Airport hotel at 9.30 tomorrow morning and, if the meeting is successful, the cartel will control about 80 per cent of production.

From the documents setting out the aims and regulations of the National Egg Producers' Co-operative, it is clear that a chicken cartel is also being planned to control this R2,5-million a week market.

This has appalled Raymond Ackerman, chairman of Pick 'n Pay, the largest

egg retailer in the country, who says: "This cartel is not in the interests of my company, the consumer, or, long term, of the independent producer."

"They won't stop at eggs and chickens if they get away with this," he says.

He has pledged the powerful backing of Pick 'n Pay to any independent producers who refuse to be drawn into the proposed egg co-operative.

The question of his support will be a subject of heated debate tonight among the 50 representatives of independent producers.

Some fear that after the recent egg price war, which saw prices slashed, as a result of massive over production by the milling giants who collectively control about 55 per cent of egg production, they will be forced out of business if they don't capitulate.

They are likely to come under intensified lobbying this weekend for under the Co-operatives Act, if 75 per cent of producers vote with the millers, all egg producers could be forced to join.

The chances are, however, that attempted action by the millers to enforce this

By NIGEL BRUCE

clause could bring down on them the wrath of Agricultural Minister, Hendrik Schoeman, who has already ordered the slaughter of a million hens in an effort to stabilise the industry.

Another point of contention among producers is a clause in the proposed regulations of the co-operative that does not allow proxies at the election of directors.

The effect of this, far-flung independents fear, will be the overwhelming control of the co-operative by the milling giants.

The ostensible object of the co-operative is to stabilise the egg market which has been disrupted this year by a particularly large surplus.

In the main this has been caused by the sophisticated production methods introduced by the subsidiaries of the milling giants, who have in recent years been purchasing to protect their feed sales.

After their capital investment in production facilities, the millers' associates have been loath to cut output as a stabilisation measure — especially if the holds they have over inde-

pendent producers may be used to increase market share.

The millers' associates — such as Newlaid (Premier Milling), Stein Brothers and Gordon Lang (Tiger Oats) — and Tongaat have the financial muscle to weather the current egg price war and the millers themselves can administer additional leverage through feed prices.

These have risen 28 per cent in the year to June and account for 79 per cent of egg production costs, says Erik Karlsen, chairman of the SA Commercial Egg Producers' Organisation, who appealed this week for a more orderly industry.

Mr Ackerman points out that before the mid-year price war when eggs were selling at 50c to 56c a dozen, small producers were able to undercut the milling companies' producers, because of their cheaper production overheads, and still make a profit.

Subsequently, of course, the price has fallen to 40c in some areas and this has forced an increasing number of independent producers into the red.

The price war, he says, was precipitated by Pick 'n



Raymond Ackerman ... pledge to the producer.

Pay when it got wind that the miller producers were planning their own price-cutting campaign.

This prompted appeal from the millers to Agricultural Minister Schoeman, an increase in the price the Egg Board pay absorb surplus product. He responded by order production cuts instead.

Mr Ackerman says company will assist all it can to stabilise the market if this be done mainly through production cut-backs. But it will not support centralised one-channel marketing arrangements, which even the Egg Board has refused to countenance in the past.

③ eggs FM 15/9/78
EGG PRODUCTION

What's in a name?

Poultrymen are startled by the fighting talk of Pick n Pay's Ray Ackerman over their formation of what he calls a cartel.

"That's a laugh," said one of the 108 members of the new National Egg Producers' Co-operative: "The cartel of the supermarkets has screwed us into the ground."

Pick n Pay also sees the funny side. Says director Hugh Herman: "It's a joke. They are guilty of mass over-production and have only screwed themselves. Producers have begged us to take their eggs. You hardly have to be a good negotiator to get a deal when they're cutting each other's throats."

Nepco, as the organisation now controlling 88% of 3 600m eggs laid annually will be known (if approved by government), intends to show some of its own united muscle after years of internal quibbling as the industry sank.

For several months eggs have generally been selling at below production costs (50% of them through hard-bargaining supermarkets and chain stores) as suppliers flocked out of the industry or simply went broke.

Pleas to Agriculture Minister Hendrik Schoeman, to have production permits reinstated (*Business brief* last week) were made successfully by the industry, mainly through the SA Poultry Association, in an initial attempt to cut the 12,5% surplus being brought in by the Egg Control Board.

Indications coming out of Monday's Nepco private meeting are that flocks may be culled by at least 5% on average; pressure (if they can stick together) will be brought to raise wholesale prices 10c to around 55c per dozen; a levy fund will be established to compensate producers cutting back on supplies; and a big advertising effort launched to stimulate demand in the black market.

Other areas likely to be Nepco controlled are packaging, transport and wasteful movement of eggs from one area to another area by suppliers desperately seeking outlets at any price.

3 Eggs 2FF

Get ready for egg price hike

Blame them if you pay through the nose

SEVERAL major egg suppliers informed retailers this week of whopping 21 and 22 per cent increases in egg prices as of tomorrow.

"A number of suppliers informed us of the increases in curt telex messages, all on the same day," said OK Bazaars general manager for food, Ralph Horwitz. "So it is clear that they were acting in concert."

"We have not taken any decision on our selling prices as yet."

The price of large eggs goes up by 22 per cent to the retailers, and extra large by 21 per cent.

"There does not appear to be very much action we can take at the moment for the simple reason that the big boys have already got together and are laying down the law in terms of prices," Mr Horwitz said.

The move follows the formation on Monday of the National Egg Producers' Co-operative, Nepco, which now controls 88 per cent of the country's egg produc-

By TONY KOENDERMAN

tion and will kick off with a turnover of R80-million a year, according to Nepco general manager, Douglas Green.

The formation of the co-operative still has to receive Government approval, and is running into heavy flak from retailers and some of the few remaining independent egg producers, who fear they will be swamped by the new body. Behind it are such major egg producers as Premier Milling's Newlaid, Tiger Oats's Stein Bros and Gordon Lang, and Tongaat.

But Nepco members are equally angry at the response the co-operative has received.

"Eggs cannot profitably be put onto supermarket shelves for less than 56c a dozen," said one. "The price war, which resulted in eggs being sold for as little as 38c a dozen, has brought disaster to the industry."

Erik Karlsen, chairman of the South African Commercial Egg Producers' Organisation, says: "A large

number of small farmers have gone bankrupt. The number of registered egg producers slumped from 903 in 1976 to 690 at present."

Even so, there are producers who want no part of Nepco. Pick 'n Pay chairman Raymond Ackerman is giving his support to three major independent suppliers who have decided to stay out of it.

However, one of the Pick 'n Pay suppliers, Natal poultry man Cyril Coles, says he is not opposed to the formation of Nepco.

"I think it is a very good thing," he said. "It is there to stabilise the price and give the farmer a fair return on his money. My reason for not joining Nepco is that I have established markets and very good relationships with my customers and don't feel the need to join. We are not interested in price wars."

The trouble is that under the Co-operatives Act, he and other recalcitrants may be forced in, which will

mean that the entire egg production will be virtually controlled by the giant milling companies.

They would then have the power to manipulate prices at will, in such a way that they could drive out the small independent producer.

Mr Ackerman believes the Minister of Agriculture, Hendrik Schoeman, is not in favour of the co-operative, but Nepco members appear to believe its approval will be almost automatic because of the depth of its support.

One reason why price-cutting has been so disastrous to the industry, say egg producers, is that egg consumption is not responsive to price changes.

"Egg prices came down to ridiculous levels, from 55c a dozen to less than 40c, and it had no effect whatsoever on consumption," said one. "Without the co-operative, there would have been a multitude of farming insolvencies."

But a cartel dominated by millers could lead to just as many problems.



Chris Saunders of Tongaat.



Joe Bloom of Premier Milling.



Rudl Frankel of Tiger Oats.

Egg men welcome new co-op

3 eggs 21/9/78
N.M.

Agricultural Correspondent

NATAL egg farmers responsible for 90 percent of the province's egg production yesterday gave their unanimous support to the newly formed National Egg Producers' Co-operative at a meeting at Tongaat.

Mr. Douglas Green, general manager of NEPCO, said support from egg producers had been "tremendous" and on a national basis, some 75 to 80 percent of a registered poultry farmers had now agreed to join the co-op.

The Minister of Agriculture, Mr. Hendrik Schoeman, was expected to sign the necessary documents to launch NEPCO in the next few days.

NEPCO would introduce immediate reforms into the industry and he believed that an annual saving of about R7 000 000 would be made on transport, packaging, marketing and distribution.

Surplus

"We intend rationalising every aspect of the industry and are committed to reducing the present egg surplus."

The egg price war had cost producers hundreds of thousands of rands. "In spite of the price war which enabled consumers to buy eggs at below-production cost, housewives did not buy more eggs and producers derived no benefit."

Mr. Green denied claims by supermarkets that NEPCO would become a

monopoly controlled by the egg-producing giants.

"In fact, the small farmers will have more voting power than the big companies." Every farmer would receive the same price for his eggs and there would be no room for inefficient farmers.

Earlier this week Mr. Allan Gardiner of Pick 'n Pay described the new co-op as a "big sleeping giant" which would do away with competition and dictate

policy to supermarkets.

Mr. Geoff Gilzean of Checkers said he did not agree with co-ops but conceded that the industry was in a turmoil and that egg prices had been "ridiculously low."

Mrs. Margaret Cooke, chairman of the Durban branch of the Housewives' League, said last night she was "dubious" about the co-op.

The year 1978 has been a year of firsts. For the first time the stirring efforts of the first time the Freshman activities of the Society. Concrete proof of this have two promising first a student of History while the whole academic body

Our reputation on this which we have been in action. Getting-To-Know-You Cheese final gatherings in the annual fancy dress party years. This "International

Off campus, we undertook during which we visited basins. We were also in the Container Basin while the

Our tour of two wine farms we were blessed with very activities, as we have learned and so was our proposed Saturday that response to activities enthusiastic as one may witness an Historical Society. that we can stimulate a positive

Another dark cloud on our Sunday evening films - a unreliable source of revenue. poor response has forced us to compensate for this by offering two. Included in our program and Arab Experience series

Scheduled lunch-hour speaker Professor C.J. Greshoff who will talk on 'Nazis on Unification of France, and Dr. Biddiss is being brought Lecturers Organisation at and our Society.

I am most indebted to my colleagues for their dedication to films, entertainment and their suggestions have been useful, their interest has been keen, and we wish those of them who are leaving the portals of this university a successful and stimulating future. We are also very sad to bid adieu to one of our most respected and well-loved members, Robin Hallett, who, as a lecturer vitally interested in the history of Africa in general and of Cape Town in particular, has stimulated our interest in the world around us immeasurably. To this founder of the African History course we are pleased to extend Honorary Membership this year. We hope that he will often return to these shores to avail himself of his privileges as a life member of our Society.

Sydney Petersen
Chairman

October 10, 1978 7

Eggs up

NM 10/10/78

again

3-Eggs

2011

hint

Agricultural
Correspondent

EGG producers fear a further increase in the price of poultry feed may force them to raise the price of eggs.

Mr. Marinus Oosthuizen, chairman of the newly formed National Egg Producers' Co-operative - which is to start operating on October 16 - said yesterday a price rise may be necessary to compensate farmers for increased production costs.

Poultry feeds and packaging materials had already risen by 12 percent this year. "We have heard that an increase in fishmeal prices could happen at any moment."

Nepco had decided not to ask for an increase and had hoped to be able to absorb past packaging and feed cost rises.

"But if suppliers raise their prices again, we may be forced to raise our prices."

It would be "irresponsible" of egg producers to raise the price without consultation with consumers.

Before any increase was decided, consumer organisations such as the Housewives' League would be fully consulted and told of the industry's plight.

C.T. Historical Society, beyond the 700 mark, due to dents alike. For the to participate in the s most encouraging. fact that we already tee, one of whom is not our Society is open to

for the few years during made manifest at our the most crowded of the endance this year at our has been in previous w Students' Dining Room.

the Table Bay harbour sailed through the various lded tour of the new loaded.

uccess. On both occasions l feature for off campus al braal was washed out hat disappointing to note re is not always as s of an organisation such nge such tours in the hope members in this direction.

relative prohibiting of us life, albeit a somewhat is on other nights but the have, however, amply lms per week instead of at War, Civilisation, America

include Associate the Provinces': The ie University of Leicester, bunal, 1945-6. the Students' Visiting History Department

that they have done this by the smooth running of of the Society. Their

EGGS

(3) eggs

A'noggin we will go

FM 13/10/78

Eggs will be supplied to retailers throughout SA at a fixed price from Monday by the recently formed National Egg Producers' Co-op, (Nepco). The aim is to stop supermarket buyers negotiating special prices with individual producers and demanding high discounts or "confidentials" (*Business Brief* September 29). Nepco chairman Marinus Oosthuizen says: "We have heard of 'confidentials', but we have no proof. It's a lot of hearsay, but we know they (the retailer) are being paid."

"Confidentials" are payments made or extra discounts given by the producer to the retailer for the right to get — or keep — their lines on the shelves. This kick-back is sometimes as high as 7,5% of the value of the order.

It might be a thing of the past if the Nepco scheme works.

The idea is that Nepco distributes all eggs at prices ranging from 52c a dozen to 58c a dozen, depending on size. Nepco statements will be sent to retailers on the 15th and the last day of the month for payment within 10 days.

Producers will already have been paid a fixed price on delivery to Nepco — hopefully with a bonus paid quarterly. In this way their production costs will be covered fully.

Says Oosthuizen: "I can't see that there will be any change in retail prices. The housewife should not pay any more than the average 58c to 62c a dozen she is paying now."

But he does warn that prices might rise in the next month, owing to rising feed

prices — representing about 75% of total input costs.

Nepco so far represents about 80% of the country's 500 odd commercial producers, who run some 8,5m hens laying around 32m eggs every week.

They will need support from the big retail chains, which are currently taking up to 45% of the eggs produced — and their offtake is growing. By now they should all have received letters from Nepco, outlining the scheme and seeking support for it.

Farmers throughout the country would welcome that support. A rationalised delivery system would cut transport costs as eggs go looking for markets anywhere between the Cape and the Transvaal, and fewer packing stations would

be needed.

These will be operated in future by Nepco on behalf of producers, and some will be taken over completely by Nepco.

Oosthuizen admits: "It is not an instant solution, but we expect it to be working well within six months."

But there will still be about 4m hens whose output will not be controlled by Nepco. These hens belong to "backyard" farmers who run them as a sideline.

This means the big supermarket chains will be able to buy outside the Nepco network, but it is hoped the rationalisation of deliveries and credit — and service — will encourage them to support Nepco. Says Oosthuizen: "It will be difficult for them to get a better deal than this anywhere else."

Egg price to rise by 2c soon

Star
2/11/78
3-eggs

The price of eggs is to rise by two cents a dozen on November 16, the New National Egg Producers' Co-operative (Nepco) has decided.

She said her organisation opposed the formation of the co-operative from the start. It had written to the Ministers of Agriculture and Economic Affairs asking them to look at it in the light of monopolies legislation

INSPECT

Mrs Lynn Morris, a vice-president of the League, felt the time had come to take up Nepco's invitation to inspect their books and would suggest to the League that it did so.

A Nepco spokesman said that it now cost 4.34 cents a dozen more to produce eggs than it did at the beginning of the year.

Because of the rationalisation it brought about after its formation, it was able to absorb all but the two cents which would now be added to the price.

The first general increase in the price of eggs this year was in February when they were put up to about 60c a dozen.

Prices dropped dramatically later in the year when egg producers, faced with a glut of eggs, slashed their prices to supermarkets.

This "price war" came to an end shortly after the formation of Nepco in September when prices were put up again by about 20 percent.

Nepco's members control 80 percent of South Africa's egg production and it has cited steadily rising production costs as making the price rise necessary.

DISAPPOINTED

"I am most disappointed to learn of their intention," Mrs Joy Hurwitz, national president of the Housewives League said today.

"They promised they would consult us before raising prices and they have not done so, on this occasion," she said.

She said there could be no doubt that the move would meet with strong consumer resistance.

There was still a surplus of eggs in South Africa and the man in the street was having to subsidise exports. This meant egg prices were taking them out of the reach of those who most needed protein foods.

3/11/78

Anger as co-op says egg price must rise

3-Eggs

Mercury Reporter

THE price of eggs is to be increased by 2c a dozen from November 16 because producers can no longer continue to absorb massive rises in production costs.

The chairman of the newly formed National Egg Producers' Co-operative (Nepco), Mr. Marinus Oosthuizen, said yesterday that although producers' costs had risen by the equivalent of 4.3c a dozen, Nepco had decided to absorb the bulk of the rise and would pass on only a 2c a dozen increase to consumers.

He said that feed costs, which constituted at least 70 percent of the cost of egg production, had gone up 25 percent earlier this year and had gone up again a few weeks ago. He said other hikes had taken place for packaging, electricity and other costs.

The Natal head of Pick 'n Pay, Mr. Alan Gardiner, reacted to the news with disbelief.

"The co-op did not even bother to tell their customers. I had to hear it from the Press." He said the price of eggs would continue to rise "until we manage to break Nepco." Mr. Gardiner said the co-op was not acting in the interests of free enterprise.

Drug haul

FICKSBURG — A man who was caught on the road between Ficksburg and Rosendal with 163kg of dagga, Ismael Meya (38), was yesterday jailed for seven years. — (Sapa.)

By SHEILA STEVENS
MR Raymond Ackerman, chairman of Pick 'n Pay, has called for a Government investigation into yesterday's 2c a dozen increase in the wholesale price of eggs.

The increase — from 55c to 57c — was imposed by the National Egg Producers' Co-operative in spite of a surplus of 396-million eggs and its recent assurance that it would hold the price until the end of the year.

Nepco, which is supported by 88 % of the country's egg producers, attributed the increase to higher feed, transport and other costs.

Mr Douglas Green, general manager, said producers' costs had risen by 4,3 % since February but, because Nepco had embarked on a policy of price rationalisation, it would absorb more than half and pass on only a minor increase.

"Our increase is absolutely fair and minimal and covers only a proportion of our higher costs."

Mr Ackerman said he was appalled by the increase, which was totally unwarranted.

When Nepco was formed in September — in the midst of an egg price war — it pushed up the price of eggs by more than 20 %.

Then followed Nepco's withdrawal of discounts from supermarket chains, resulting in another price rise of about 5 %.

Mr Ackerman described Nepco — which is made up of three major companies, Premier Milling, Tiger Oats

R.D.M.
17/1/78
3 eggs
11/11

Probe urged on egg rise

and Tongaat, as well as a number of smaller egg producers — as a dangerous cartel.

"Nobody can compete. Some independent egg suppliers who depend on feed from these big companies have been threatened if they don't join Nepco."

Mr Ackerman's view of Nepco's hold on the egg market was shared by Mr H Goldberg, national merchandise manager of Checkers.

"Nepco is trying to force independents out of business or into the co-operative. Their monopoly means there will be no competition."

Consumer watchdog Mr Eugene Roelofse said: "If there are pressures on independent suppliers, the Minister should appoint an inquiry."

● Editorial comment —
Page 12

17/11/78 20

3 Eggs

Eggs to cost more

DURBAN — The National Egg Producers' Co-operative (Nepco) yesterday increased the price of eggs by 2c a dozen — about four per cent — a director confirmed.

He said this had been necessary because since February feed and other costs had increased the price by 5c a dozen.

"Thanks to the formation of Nepco, however, and the savings in packaging and distribution, it had only been necessary to pass on 2c a dozen to consumers — a saving of 3c."

However, consumer organisations have expressed disappointment at the increase and Mrs Joy Hurwitz, national president of the Housewives' League, which opposed the formation of Nepco from the start, said Nepco had promised it would consult the league before raising prices, but had not done so on this occasion.

A supermarket spokesman said the price rise from Nepco, which controls about 80 per cent of the egg market, was 'absolutely appalling.'

"Nepco claimed the hike necessary because of increasing transport and packaging costs, yet when Nepco was formed its directors said they would rationalise and bring down packaging and transport costs," he said. — SAPA.

2/12/78

Eggs: co-op chief in call for Govt inquiry

By SIMON WILLSON
Staff Reporter

THE CHAIRMAN of the National Egg Producers' Co-operative (Nepco), Mr Marinus Oosthuizen, has said he would welcome a Government investigation into the R120-million South African egg industry.

"We would more than welcome a decision by the Minister of Economic Affairs or the Minister of Agriculture to launch an investigation, particularly with reference to any possible exploitation of the consumer," Mr Oosthuizen said.

His statement follows last month's two-cents-a-dozen increase in the whole-sale price of eggs imposed

by Nepco in spite of a surplus of 396-million eggs and assurances that the price would be held until the end of the year.

The chairman of Pick 'n Pay, Mr Raymond Ackerman, called for a Government investigation when the price increase was imposed, calling Nepco a "dangerous cartel".

Nepco was formed in September in the middle of an egg price war, and represents about 80% of South Africa's 500 commercial producers, who run 8.5-million hens laying 32-million eggs a week.

"We believe the time has come for Nepco to be officially investigated so that

our bona fides can be established once and for all," said Mr Oosthuizen.

Mr Oosthuizen said an investigation was essential for the welfare of the egg industry as a whole and for the peace of mind of the housewife.

"But, at the same time, the entire egg industry should be investigated. The investigation should cover the whole spectrum of the egg business, from production and distribution right through to pricing and retailing."

The Commercial Egg Producers' Association has already called for a detailed investigation into egg production costs.

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the firms could candidates be nominated without any restriction, for example, as to age or seniority. A representational spread from different departments was required by 78,1% of the respondents, while 46,2% required service (seniority) qualifications and 27,3% required a certain age limit. Voting was usually by means of ballot papers (57,1% of the respondents) or by a show of hands (33,4% of the respondents).

About 63% of the respondents reported that their liaison committees were elected for a period of one year while nearly 28% recorded a two-year period of office. In most instances, 72%, regular monthly committee meetings were held, but a further 12% met every two months and 5% quarterly.

There were 284 organisations which responded to a question as to why they had preferred a liaison to a works committee. The majority of 147 (nearly 52%) gave as their reason that the liaison committee was an 'anti-polarisation' device conferring benefits such as better guidance by management and prompt solution of problems, thus serving both parties' interests and improving two-way communication. In a further 38 instances (about 13%) either the liaison committee

The egg controversy

RDM 11/12/78 3-298

VITA PALESTRANT

A CONTROVERSY, which could affect the price of eggs to the consumer, is raging between national supermarket chains and the newly created National Egg Producers' Co-operative.

Nepco recently withdrew discounts to supermarket chains on the grounds that they were never passed on to consumers.

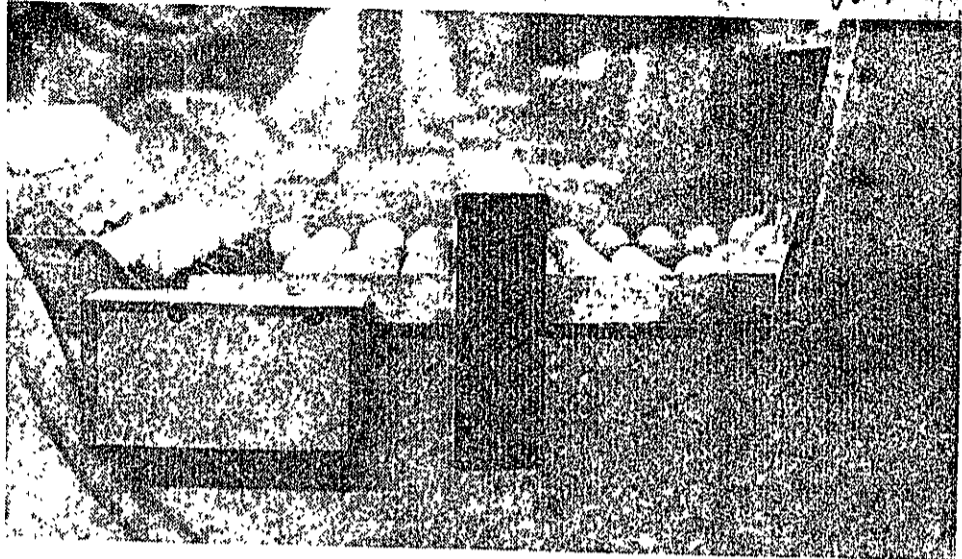
Supermarkets have reacted angrily by saying that, because of the withdrawal of discounts, they will either have to absorb the loss or pass it on to the consumer. They claim the discounts were always passed on.

Meanwhile, consumers, hard hit by Nepco's recent price increase, are questioning into whose pockets Nepco's savings are going.

Nepco's declared aims are to stabilise the egg industry and, by means of a rationalisation programme, benefit both consumers and producers.

The co-op represents 70% of South Africa's egg production. It is made up of the three giant milling companies, Premier Milling, Tiger Oats and Tongaat, as well as numerous independent egg producers.

They claim their savings from their rationalisation programme and withdrawal of discounts, estimated at approximately R7,5-million a year, will offset price in-



Eggs galore — but at higher prices.

creases in the industry for the consumer.

But since its inception consumers and supermarket chains have repeatedly asked the Minister of Agriculture, Mr Hendrik Schoeman, to investigate the co-operative under the Monopolies Act. Nepco has responded by saying they would welcome a government investigation.

A Nepco spokesman, who asked not to be named, said the discounts were not "discounts" but "confidentials" and as such were never passed on to the consumer.

"These confidentials are not discounts no matter what anyone says. They were no more than goodwill money, guaranteeing profits to large chains. During the price war, they were as high as 7,5%. They are inflationary and egg producers who did not pay it were dead — it left egg producers without any bargaining power. We have put a stop to all this."

He said, while it was likely that the withdrawal would push up consumer prices, it was in the best interests of the consumer in the long run.

But supermarket chains are amazed and indignant at Nepco's claims. They say discounts are part and parcel of bulk buying and enables them to keep consumer prices at low levels.

Pick n' Pay's Richard Cohen, who says his chain buys mainly from independents, reckons that the withdrawal of discounts will force chains to push up their prices.

"It seems a weak argument to label discounts 'confidentials' in order to justify the withdrawal. If they were not target or incentive discounts why weren't they given to smaller stores?"

"Our average gross profit on eggs has never been more than 6% and if that's not passing it on, I don't know. As things are going, supermarkets are being forced to subsidise eggs, you can't run a business on 6%."

O K Bazaar's Allan Fabig puts it this way: "The total profit structure in supermarkets is of importance. Keeping consumer prices at low levels is not possible if we cannot tap such sources of revenue as discounts and this applies to all supermarkets."

He said it was a fallacy to claim that discounts were not passed on.

Checkers' Harold Greenstein had this to say: "Nepco has acknowledged to me in the past that they knew discounts were passed on. Clearly whoever said they weren't knows nothing about his business or the supermarket business."

Mr Greenstein said Nepco had given as its *raison d'être* the cutting of costs to the benefit of consumers. So far, there was little evidence of this.

Both O K Bazaars and Checkers get up to 75% of their eggs from Nepco. Both claimed that because of the highly competitive nature of supermarkets they would have to absorb the loss.

Spar's Sid Matus, however, agreed with Nepco: "I have never known discounts to benefit the consumer. We, as a wholesale operation, put them into account in our pricing structure."

Consumers, too, are up in arms. Consumer ombudsman, Eugene Roelofse, said: "Nepco has discovered the strangest ways to benefit consumers — by putting prices up. While they think the average housewife benefits from this, the briefest chat will disillusion them. They seem to have learnt their lessons in logic from the Dairy Board."

And Yvonne Forshaw, of the Housewives' League, said she shuddered to see what would happen to the price of eggs next year.

"Discounts are a normal part of the free enterprise system. Are we to gather

from this that Nepco thinks little of the competitive forces of supply and demand. I cannot see how the withdrawal of discounts will benefit the consumer. One wonders in fact who is benefiting from all Nepco's savings. The supermarkets aren't, consumers aren't — who is?"

The egg price war in September broke at a time when there was a surplus of 500 million eggs. Slashed prices were restored to pre-war prices after the Nepco formation.

In mid-October, supermarkets were informed in an "abrupt" letter that their credit terms had been shortened and that a 1,5% per month levy would be charged on overdue accounts.

In the same letter, Nepco instructed supermarkets to continue placing their orders with existing suppliers. One supermarket spokesman questioned how this squared with Nepco's rationalisation of marketing.

Supermarkets were also told that some distributors had been appointed agents.

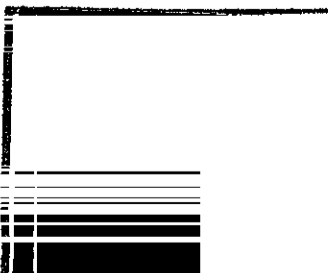
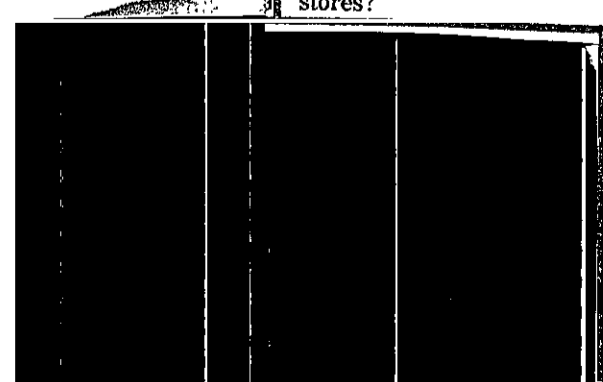
Harold Greenstein said it was likely that the agents would be paid a fee. This, together with shortened credit terms, would push up prices.

"It appears that their main objective is to maintain prices," he said at the time.

Last month Nepco put up the price of a dozen eggs by 50c. The general manager of the National Egg Producers' Co-operative said producers' costs had risen to 4 27 a dozen since February. He said Nepco had been able to absorb the difference through their rationalisation programme.

But the increase came at a time when the egg surplus stood at 396 million eggs. Consumers are finding it hard to understand just how they are benefiting from the giant co-op.

which is (ed), er as of e 36, p. 80) arrier ment lduct 2.3



③

AGRICULTURE - Eggs

24-1-79 - 14-12-79

✓

3. Employment in Coal mining

3.1 In the period under review employer of labour in the between 10,5 per cent and position is now challenged 'other mines' as reported (mines); but there is no employment trends in mining projected output levels, and industry. The potential suggested by the fact that employment in coal mining increased of 14 per cent in 3 years

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3.2.1 During the period along a clear trend, especially a remarkable (down again).

3.2.2 Employment down on trend to 1966 to 73 438

3.2.3 As we have seen in 1975 and (especially) that the previous year. This recent trend in 1977 - with monthly

3.3 Without having any detailed knowledge about the geological and technical aspects of coal mining it seems possible to make some preliminary moves towards 'explaining' the existence of these phases.

3 Egg 24/1/79
Huge egg surplus, but prices won't fall

The Egg Board expects a surplus of about 11 million cases of 30 dozen eggs a case this year but prices won't come down. Mr. Martinus Oosthuizen, chairman of the Egg Control Board and of the National Egg Producers Co-operative believes the surplus will be reduced because of "already low prices".

In the meantime, he told Fair Deal, excess eggs were not being dumped, they were being exported. At least one consumer organisation disagrees with Mr. Oosthuizen.

"NOT LOW"

Mrs. Joy Hurwitz, president of the Housewives League, told Fair Deal that egg prices were not low at all.

Prices had been increased by two cents a dozen since the formation of Nepco.

She said surplus eggs were a perennial problem. The league felt surplus eggs should not be exported at a loss.

If local prices were brought down, eggs would be brought into the price range of consumers who normally didn't buy them and surpluses could be disposed of in this way.

SEASONAL DEMAND

Mr. Oosthuizen said that according to the Department of Agriculture, egg producers sold about 10 million cases per annum.

Normally, a surplus of between 5 and 10 percent of that (between 500,000 and 1 million cases) was needed to meet seasonal demands.

"The demand at mid-month and the end of the month is always different," Mr. Oosthuizen said.

the second major (gold) - contributing total. Its relative position that employment in is mainly in platinum study of future ly at coal, its pro- of technical change in the as an employer is annual average employ- 83 814 - an increase phases as regards employment. upwards in a remarkably om 23 602 thousand metric ns in 1976.) (See Graph 3 p.21a).

1966 employment increased 39) with some fluctuations, in 1951 to 1952 (up) and 1953 with some fluctuations moved force contracted from 82 239

increases in employment in 1974, The increases were such (leaved in 1966) was passed in 1976. t growth has been continued into 90 000 workers in employment.

IF South Africa's vast surplus of eggs — which is expected to hit 1 250 000 cases by June — could be reduced, consumers would pay less for their eggs, said the general manager of the Egg Control Board, Dr. A. H. Olivier, yesterday.

Dr. Olivier's statement follows one made recently by the chairman of the board, Mr. Marinus Oosthuizen, that it was in the interests of both producers and consumers to reduce the surplus. If this could be done housewives would pay about 5c a dozen less for their eggs.

Last year South Africa consumed about 10 million cases of eggs. The Egg Control Board considers a

surplus of 750 000 cases "healthy". The expected super-surplus will exceed this by 500 000 cases.

Dr. Olivier said officials of the board were busy counting on a sample basis the 9 000 000 laying hens on poultry farms all over the country. He said once final flock numbers were known, production control measures — introduced by the Minister of Agriculture

in September last year — would be more strictly enforced and permits issued to limit flock numbers.

He said that although many producers had cut back and already reduced their flocks by about 300 000 hens, more eggs had been produced by the fewer hens because of increased productivity by farmers. Flocks would have to be reduced still

further.

Dr. Olivier said eggs were exported at a loss of about 20c a dozen. Although South African eggs were sold overseas at higher prices than on the local market, a loss was incurred because of transport and packaging costs.

There was a world-wide surplus of eggs and the surplus was hard to dispose of at a profit, he said.

NM 26/1/79 (3-Eggs)

Fewer eggs, 'lower price'

78

erdag

- 3.2 Kerkraadsbiduur en Broederlike onderhoud in die maand tussen in, op die derde Sondag in die maand 5.00 nm;
- 3.3 Nagmaalvierings elke 2 maande om die beurt 10.30 vm en 6.00 nm;
- 3.4 Doop: Eerste Sondag in die maand 10.30 vm;
- 3.5 Doop- en Tugkommissie vierde Woensdag in die maand. Voornemende doopouers stel hul wyksouderling in kennis en ontmoet die kommissie saam met die ouderling onmiddellik na biduur;
- 3.6 Spreekuur met leraar in kerkkantoor: Elke Woensdag van 6.00 - 7.30 nm (voor biduur);
- 3.7 Dankoffers:
 - 3.7.1 Elke Sondag in die maand;
 - 3.7.2 By besondere geleenthede soos Nagmaal, Kersfees, Lentefees;
 - 3.7.3 Elke diaken (en waar geen diaken in die wyk is nie: ouderling) hou 'n boekie met volledige naam en adreslys van lidmate wat 'n verdienste het;
 - 3.7.4 Elke diaken sal verkieslik die laaste week in die maand die dankofferkoevertjies vir die volgende maand aan sy wykslede besorg, waarop die wyk, datum and die naam van die Lid ingevul is;
 - 3.7.5 Wanneer die koevertjie ingelewer is, sal die diaken sy wykslede se dankofferbedrag invul in sy boekie en die Lid se „bydragskaart" tuis ook invul wanneer die nuwe koevert afgegee word;

EGG PRODUCTION ^{EGS} (2) 11/2/79
Scrambled, as usual

It's a case of counting the hens before they lay for Egg Control Board (ECB) inspectors presently taking stock of the industry's 10m-odd commercial layers. *

Re introduced in September 1978 after being scrapped only 14 months ago, egg production control is back with a vengeance to counter the 21,7m dozen surplus for July-December 1978 (up 20% on 1977 and 73% on 1976). Total egg production at 300m dozen in 1977-78 was only 0,5% higher than the previous year.

Smaller companies are quick to lay the blame on unbridled expansion by the big feed millers who produce about half the country's eggs. SA Poultry Association secretary, Zach Coetzee, thinks this might be one factor, but there are others.

For example, increased efficiency because of improved medication and vaccination, and better laying stock (hens producing 249 eggs a year as opposed to 240) countered by lower consumer growth of 2% 3% compared to previous growth of 8%.

A further aggravation is the dwindling export market with other producers like Holland, Australia and the UK also battling to off load surpluses. Third World importers are starting to produce their own eggs and the situation in Iran hasn't made things easier in the Middle East.

SA's last surplus was exported at a loss of R4,7m (despite premium prices in places like Hong Kong) because of high refrigerated transport costs, but nevertheless brought R14m into the industry's coffers.

Would reduced prices increase consumption? Coetzee says no. "If eggs were cheaper, would you eat three for breakfast instead of two?" he asks. After costly promotion and discounts to retailers, the ECB's egg month in 1977

showed an actual 2% decrease in total egg sales.

ECB chairman, Marinus Oosthuizen says the true picture will only emerge towards the end of the month, but he thinks it could mean phasing out 600 000 layers in February March and 825 000 in April June to provide a 540 000 dozen egg reduction.

He warns that producers not toeing the line in cutting back can expect the ECB's wrath. So it's up to them to put matters right in the hen-house.

PLAINING?

Egg price
 up **8c** ^{3 eggs}
 next month?

Own Correspondent

Consumers are likely to pay up to 8c a dozen more for eggs by the middle of next month.

A spokesman for the Commercial Egg Producers Association said in Pretoria today the increase would apply to wholesale prices and was likely to be passed on to consumers. He said the price rise was justified and inevitable in the light of the recent dramatic cost increases.

The recent 23 percent rise in maize and other feed costs accounted for 5c of the increase.

The spokesman said the recommended price rise would barely cover all the increased costs.

WE WISH YOU A PLEASANT

- (1) A full list of the participants (with the type of accommodation booked) is attached.
- (2) The hotel can arrange for any tours which participants who are staying over on Sunday may wish to use. Motor vehicles may also be hired.
- (3) Medical: The hotel has facilities for dental and medical personnel to be called in case of illness.
- (4) Motor vehicles brought to U.C.T. to be parked in the area marked on your maps.
- (5) Members are responsible for settling their accounts personally (where they are on Air-Hotel, they must pay for extras themselves as must all other participants).

HOTEL ARRANGEMENTS

Eggs up, quality down — claim

(3) eggs
Argus 2/5/79

SINCE the National Egg Producers' Cooperative (Nepco) was formed last year prices have soared and quality has fallen, the area manager of a supermarket chain said today.

Mr John Barry of Pick 'n Pay said it was time the Government intervened to disband Nepco, on the grounds that it was a monopoly which was not acting in the consumers' interest.

Mr Barry was reacting to news that Nepco was putting up the price of eggs by 8c a dozen on May 14.

He claimed the reason was that Nepco had a massive surplus of eggs, which it was selling at a loss to the Egg Board for export, and wanted to offset this loss.

He said another reason was that because of its size its overheads were higher than those of the few small independent egg producers who had stayed outside the co-operative.

SMALL PRODUCERS

The small independent egg producers can undercut Nepco and we deal with them as much as possible, he said.

'But they are too few to meet our demand and therefore we are forced to deal with Nepco.'

Mr Barry pointed out that although the big egg producers, who formed Nepco had claimed it would stabilise and hold down prices by rationalising packaging and delivery the reverse had happened.

The chairman of the Cape branch of the Housewives' League, Mrs Peggy Borckenhagen, said it had misgivings when Nepco was formed, which had now apparently been proven true.



THE GREAT EGG PRICE SCANDAL

3 eggs

Sun. Express 6/5/79

STARTLING facts about this week's demand by Nepco, the giant egg cartel, for a massive increase in the price of eggs have been uncovered by a Sunday Express investigation.

The probe revealed that:

- The application is for a jump of 8c a dozen in the wholesale price — but the retail price could go up by **DOUBLE** that amount;
- Nepco members make a handsome profit out of producing millions of surplus eggs — part of the reason for the higher price demand — which then have to be exported at a big loss by the Egg Control Board at the expense of the consumer.
- Nepco's demand for the huge price rise has to be decided by the Control Board — but five of the eight members are Nepco members.
- If the price rise goes through, as expected, the cost of eggs to consumers is likely to be almost **DOUBLE** what it was only eight months ago — before Nepco was formed.

Both the chairman and vice-chairman of the Egg Board are members of Nepco. Board chairman Mr Marinus Oosthuizen is also chairman of Nepco.

Nepco's members, who produce 80% of the country's eggs, are largely responsible for the 500-million egg surplus this year. But because under the proposed higher prices they will make a profit of some 18c a dozen on their surplus eggs there appears to be little incentive for them to reduce the surplus, which experts say is the only way to bring down the price of eggs.

And the giant milling companies, which control close on 40% of egg production and initiated the formation of Nepco, have all reported increased profits — largely thanks to their milling divisions, which provide the food for their hens.

Independent producers predict that the retail price next week could soar to close on 90c a dozen — almost double what it was in September.

A Nepco spokesman said this week almost a quarter of Nepco's eggs, or 25 000 cases containing 30 dozen each, were shunted to the Egg Board every week for sale "at a loss".

The Egg Board pays a floor price of 29c a dozen for surplus eggs, which are then exported at 20c a dozen, Dr A H Olivier, general manager of the Egg Board, told the Sunday Express.

The floor price was decreased from 31c a dozen recently and the levy paid by producers to the Egg Board went up by 0,5c from 3,5c to 4c a dozen, he said.

However, the increase on the levy — which pays for the export loss and for the

Cost of eggs may double and only producers will gain

By **JEAN LE MAY**

Egg Board itself — has been passed on to the consumer.

But the Sunday Express has established that Nepco compensates its members by paying them a price halfway between the floor and retail prices.

Next week, when the retail price of eggs could go up as much as 24% to close on 90c a dozen, Nepco members will probably get an average of 60c a dozen from Nepco for their surplus production, said Nepco chairman Mr Marinus Oosthuizen, who is also the chairman of the Egg Board.

Dr Olivier said there was "nothing sinister" in the fact that Nepco members were the majority on the board. "They were all on the board before Nepco was formed."

Mr Harry Schwarz, PFP spokesman on economic affairs, said:

"If the facts are correct, this is outrageous. An appeal must be made to the Minister of Economic Affairs for an investigation, since this situation appears to be one which may be investigated under the new anti-monopoly legislation."

Mr Mike Hawkins, public relations officer to the Consumer Council, said: "Nepco dominates the egg market and if it cannot control production among its own members it should be disbanded."

"It has now shown that it works to the advantage of the producer, not the consumer."

Storm over egg surplus exports

(3) egg Argus 1979

Argus Correspondent
JOHANNESBURG —
 Consumer spokesmen are up in arms over arrangements in the egg production industry which force consumers to subsidise massive exports of surplus eggs which are being sold at a loss abroad.

The chairman of both Nepco and the Egg Control Board, Mr Martinus Oosthuizen, declined to comment on a report that Nepco pays its members a price halfway between the Egg Control Board's floor (export) price and the retail price.

PROMOTIONAL

Mr Oosthuizen confirmed that the wholesale price of eggs sold by Nepco members goes up by 8c a dozen on May 15.

However, he said all retailers were being offered a 'promotional allowance' of 4c a dozen.

This meant that the consumer's price should

increase by only 4c, although producers' costs had increased by 8c a dozen.

Mrs Joy Hurwitz, president of the Housewives' League said:

'We are still opposed to the co-op — and we are doing everything in our power to see the egg price increase does not come about.'

Meanwhile, the Consumer Council has welcomed the announcement by the Minister of Agriculture that the price controller may be asked to look into the egg price increase.

However, we are not sure if price control is the answer to the problems of the egg industry. Perhaps a mandatory retail price freeze for a short period while the industry sorts its problems out would be better. Mr Mike Hawkins, public relations officer for the council, said today.

1.0

Nepco halves egg price increase to angry consumers

eggs, (3) 8 Apr 7/8/79.

Own Correspondent

Only half the 8c a dozen egg price increase will be passed on to consumers next week, Nepco, the egg producers' co-operative, said in Pretoria today.

It is hoped this will lead to an increase in egg sales. If egg consumption does not rise, the full price rise will be passed on soon.

"Nepco members will be carrying the loss in an attempt to increase the consumption of eggs," Mr

Clive Apsey, Nepco's general manager, said.

The Consumer Council has welcomed the announcement by the Minister of Agriculture that the price controller may look into the price increase.

"However, we are not sure price control is the answer to the problems of the egg industry," Mr Mike Hawkins, a council spokesman, said today.

"Perhaps a mandatory retail price freeze for a

short period while the industry sorts its problems out would be better."

Mr Hawkins said the public was tired of hearing that surplus agricultural produce was being exported at a loss.

News of another egg price increase, from May 15, has focused fresh attention on several issues of concern:

● Nepco, which accounts for an estimated 95

percent of South Africa's egg surplus, has five representatives on the eight-member Egg Control Board.

● Every third egg produced by Nepco members goes into the surplus.

● Consumers are being charged 3,5c a dozen extra to pay for the export of the surplus eggs.

The chairman of both Nepco and the Egg Control Board, Mr Marinus Oosthuizen, said Nepco was meeting today to discuss the situation and to prepare a Press statement.

Mr Tony Bloom, deputy chairman of milling companies with a substantial stake in egg production, commented: "There is no return on capital and anybody can look at our books."

"UNFAIR"

"The egg industry has been subject to unfair publicity. The retailers are using the industry as a political football."

Mrs Joy Hurwitz, president of the Housewives' League, said: "We are opposed to Nepco — and we are doing everything in our power to see the egg price increase does not come about."

She said a delegation from the league had a five-hour meeting with Nepco on Friday.

A spokesman for the department of Agricultural Economics and Marketing said: "Nepco should have tried to avoid an increase in view of the present surplus."

18c discount to stores

... but eggs to cost 4c more

Agricultural Correspondent

HOUSEWIVES will pay 4c a dozen more for eggs on May 15, but retailers will be enjoying an 18c-a-dozen discount from the National Egg Producers' Co-op, it was learned yesterday.

Mr. Cedric Savage, managing director of Tongaat Foods in Durban and a director of Nepco, said the co-op was offering a promotional discount to all retailers.

He said 120 outlets in Natal so far had accepted the co-op's promotional offer that would enable retailers to purchase eggs at 18c a dozen below normal cost price.

Up to stores

Mr. Savage said it would be up to individual stores to decide whether this discount would be passed on housewives.

If it were, he added, then consumers would pay less if they ate more eggs.

Mr. Savage described as "unfounded" a report in a Sunday newspaper which said that the cost of eggs might double and only producers will gain.

He said egg producers were, in fact, lowering the price of eggs and not increasing it, as long as more eggs were bought by the public. Mr. Savage said the egg promotion was being offered by the industry in an effort to reduce the country's egg surplus.

He pointed out that an 8c-a-dozen increase in price amounted to a 14 percent rise.

"Egg producers, on the other hand, will now have to pay 22 percent more for their maize alone," he said.

No option

Mr. Marinus Oosthuizen, chairman of the Egg Control Board and Nepco, said yesterday that because of increases in farmers' production costs — which now made producing eggs virtually uneconomic — Nepco had "no

option" but to increase the price.

Mr. Oosthuizen said, however, that Nepco had decided to absorb 4c of the 8c-a-dozen increase, and would pass on a rise of 4c a dozen to consumers.

NM

7/5/79

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214

Promise of egg price freeze

(3) egg of
Nov 9/19

Political Correspondent
The Minister of Agriculture, Mr. Schoeman, last night threatened again to freeze the price of eggs if producers went ahead with a planned 4c a dozen increase.

Opening the SA Poultry Association congress at a Jan Smuts Airport hotel he said the egg industry was in an unprecedented surplus crisis and producers and the trade had to make a contribution towards overcoming it.

He said: "In the over-production crisis in which the egg industry finds itself it is necessary that producers and the trade act responsibly to ensure that their measures do not run counter to steps taken by the Egg Control Board and the Egg Production Committee.

"These steps can be effective only if the present consumer price is not disturbed.

"I feel it my duty to issue a serious warning to the industry that if it in this crisis does not also make a contribution I will be forced to consider freezing the consumer price so that consumption of eggs does not decrease further.

"Efforts must be made by the industry and trade to stimulate sales of eggs — efforts of which I have so far heard little or nothing."

Egg prices to stay unchanged

Argus 10/5/48 (3) eggs

Eggs will not, after all, go up in price by 8c a dozen next week. The National Egg Producers Co-operative (Nepco) has increased its wholesale price by 8c a dozen from Monday but, because of an egg surplus, it will give retailers a discount of the same amount until further notice.

But the wholesale prices of cooking oil and margarine will rise by 10 percent, and supermarket chains say they will have to pass on the increase to customers when existing stocks have been sold.

Because they expected the increase, which is caused by the annual increase in the oil seed price paid to producers, supermarket retailers have stocked up and expect to keep prices at their present level for about two weeks.

Most were trying to negotiate special offer prices with manufacturers which would help to cushion consumers from the full increase after that. Supermarket spokesmen said they thought Nepco's decision not to put up the price of eggs immediately was due to pressure from the Minister of Agriculture, Mr. Hendrik Schoeman, and in the Press.

Nepco's announcement of the steep increase brought an outcry in the Press and from the Housewives' League. Nepco said the increase was due to the rise in the cost of poultry feed and packaging. Critics of Nepco, however, claimed the increase was mainly to offset losses due to over-production. Mr. John Barry, area manager of Pick n Pay, explained that Nepco was obliged to sell the surplus at a loss to the Egg Board, which smashed the eggs and exported them as dried egg powder.

Mr. Mike Allen, merchandising manager for Checkers in the Western Cape, said he thought the trouble was that there were too many birds on poultry farms owned by Nepco members and therefore too many eggs were produced.

R1 m campaign to make you pack more eggs into your diet

(3) Eggs Mercury
4/8/82

Mercury Correspondent

PRETORIA—The Egg Board is to spend R1 000 000 urging South Africans to put more eggs into their omelettes, to reduce what threatens to be a huge surplus and save heavy export losses.

The advertising campaign will be beamed particularly at the black market, where the greatest potential for expansion lies, the general manager of the board, Dr J Olivier, told a Press conference yesterday.

He said the board had budgeted for a maximum surplus of 15 million dozen eggs this year. If the campaign succeeded, this would be reduced to less than 7 000 000 dozen.

The chairman of the board, Mr Ian Bartlet, said egg consumption in South Africa was closely linked to the pace of the economy — the more buoyant the economy, the more eggs eaten.

Because of the current economic slide a big surplus of eggs could pile up.

A major function of the board was to eliminate surpluses. It succeeded in reducing the 1978-79 surplus loss of R7 000 000 to R1 900 000 in the year to the end of June.

Loss

The producers' levy is paid into a stabilisation fund which helps cushion losses on exports. The levy was cut from 4 c to 2 c a dozen last September.

Mr Bartlet said the loss involved in exporting surplus eggs — mostly frozen eggs to the Far East — amounted to about 33 c a dozen.

'So rather than risk a large surplus this year, the board has launched a major advertising campaign.'

The consumption of omelettes would be particularly 'pushed'.

Asked why the surplus eggs could not be sold to lower income groups instead of being exported at a loss, Mr Bartlet said distribution was one of the problems.

A survey showed whites each consumed 246 eggs a year, and blacks 144.

Market takeover by egg co-op feared

3 eggs

10/5/79

JOHANNESBURG — There is widespread fear that South Africa's controversial egg co-operative is trying to oust independent egg producers from the market and consolidate its monopoly of the industry.

This follows the introduction of a country-wide retail drive by the National Egg Producers Co-operative (Nepeco) which says it wants to reduce the massive surplus for which it is blamed.

Independent egg producers, some of whom are short of eggs, are believed to have captured about 50 per cent of the market. Nepeco — which plans to increase its egg price by 8c a dozen from Monday — has estimated it will have a surplus of 468 000 000 eggs this year, most of which will be shunted to the Egg Board for export at a loss.

Nepeco has offered retailers two major discounts: A 12c a dozen discount on additional eggs compared with March orders until the end of June; A 4c reduction on the new 8c increase for about six weeks.

Mr Raymond Ackerman, chairman of Pick 'n Pay, described the first as "an obvious ruse to get us to drop our independent suppliers." Nationally, his stores bought about 50 per cent of their eggs from independent producers who sold at a slightly lower price. This situation would continue with independents able to demand increases in line with Nepeco's.

Mr Harold Greenstein, national marketing director of Checkers, said the retail drive was a ploy to get rid of the independent producers as well as a ploy to get rid of surplus eggs. Nepeco was not doing anyone a favour with its second discount as the price still would increase by 4c.

The Minister of Agriculture, Mr Hendrik Schoeman said he would do all he could to avoid a monopoly.

He would meet representatives from throughout the egg industry next week to discuss the problems.

Mr Marinus Oosthuizen chairman of Nepeco and of the Egg Board, would not comment on the Minister's standpoint — DDC.

EXPERIENSCOPE

THE TV INTERVIEW THAT FELL THROUGH WHEN THE EGG BOARD AND NEPCO MAN SAID 'NO'

Mr Eggs didn't arrive to face his TV critics

By JEAN LE MAY



A TV programme on the proposed rise in the egg price turned into a cliff-hanger on Thursday when Mr Marthinus Oosthuizen, chairman of both the Egg Control Board and the National Egg Producers' Co-operative, didn't turn up for the recording.

Producer Jacques du Toit told the Sunday Express he arranged the panel discussion with Mr Oosthuizen earlier in the week, but Mr Oosthuizen denied that he intended to appear.

The programme was finally recorded almost two hours late and without two other panel members who withdrew, allegedly saying they had been "embarrassed" and were not prepared to answer on behalf of Nepeco.

They were Mr Neil Malan, an independent producer from Irene, Transvaal, and Mr Zac Coetzee, secretary of the SA Poultry Association.

A substitute Nepeco spokesman admitted during

the programme that Nepeco members received more than the floor price for their surplus eggs sold by Nepeco to the Egg Control Board — disclosed in last week's Sunday Express.

Mr Du Toit said: "I almost lost my cool, but not quite — I don't think Nepeco is too pleased with me at the moment."

The final panel consisted only of Mr Mike Hawkins, SA Consumer Council chief public relations officer, and Mr Manfred Schormann, a Nelspruit egg farmer and Nepeco member who at the last minute replaced Mr Oosthuizen.

Mr Du Toit told the Express he had arranged with Mr Oosthuizen that the programme, to be broadcast early on Thursday night, would be video-taped

at Auckland Park at 2pm. "When I got hold of him he said there had been a misunderstanding and that he was not coming," Mr Du Toit said.

"I got mad and said I could not produce a programme on eggs without Mr Egg himself on it."

"Besides, there were questions I wanted to ask him — one of them being did he think it was right for one man to be chairman of both Nepeco and the Egg Control Board?"

"Eventually, it was agreed that Mr Schormann would speak for Nepeco. But two of the four panel members, Mr Malan and Mr Coetzee, both walked out, saying if Mr Oosthuizen was not going to be there to answer questions directed at Nepeco, they would not

take part.

"We eventually recorded the programme, but from the public's point of view I do not think the discussion was a success."

"It is still not clear why egg producers want an increase in the egg price. People could be left with the impression that all the blame for the proposed increase lies with Nepeco."

Mr Oosthuizen told the Express that he had never intended taking part in the programme.

"Mr Du Toit telephoned me on Tuesday, saying he wanted to do a programme about eggs. I did not know that it was going to be about Nepeco. I arranged for an independent egg farmer, and the secretary of the SA Poultry Association to take part in it."

"I told Mr Du Toit I could not be there because I would be at a conference."

Mr Coetzee, both walked out, saying if Mr Oosthuizen was not going to be there to answer questions directed at Nepeco, they would not

I say is being distorted.

Mr Malan declined to comment and Mr Coetzee could not be reached.

Mr Hawkins, who dominated the discussion, asked Mr Schormann what payment Nepeco members got from Nepeco for surplus eggs sold to the Egg Control Board.

Mr Schormann replied that the question was very complicated and that co-operatives normally decided on a "voorskot (preliminary)" price.

"Is the 'voorskot' higher than the floor price?" Mr Hawkins repeated.

Mr Schormann at first said no, but later, on the question being put to him a second time, admitted it was.

"Later, I heard that Mr Malan and Mr Coetzee had been very embarrassed by having been asked to appear on a panel discussion with a Nepeco spokesman to field questions about Nepeco," Mr Hawkins said.

"I was disappointed that Mr Oosthuizen did not

appear — questions I wanted to ask him were:

- Who is really responsible for the egg surplus?
- What payment for surplus eggs sent to the Egg Control Board do Nepeco members get from Nepeco?
- Does this payment not encourage the production of a surplus?

"I want to emphasise that I am no longer seeking the disbandment of Nepeco, but for a revision of the way it is run," he added.

"If Nepeco were disbanded, the egg industry could fall into the hands of the major producers and that would lead to even bigger consumer prices."

The Housewives' League, in a statement issued this week, pointed out that Nepeco was formed last year during an egg "price war" which allowed the law of supply and demand to regulate the price of eggs.

"That is what our free enterprise system is supposed to consist of," says the statement.

MINISTER of Agriculture Mr Hendrik Schoeman froze the price of eggs this week until the matter can be "thrashed out" at his meeting in Cape Town tomorrow with the Egg Control Board, the SA Poultry Association and representatives of Government departments.

This follows a Sunday Express investigation last week into the proposed 14% increase in the wholesale price of eggs.

Mr Schoeman reacted immediately to the article, saying on Monday that he would ask the Price Control Board to go into the matter and that price control may have to be introduced.

He had not been properly consulted on the proposed price increase, he said.

Speaking at the 75th annual congress of the SA Poultry Association in Kempton Park, near Johannesburg, on Tuesday, Mr Schoeman said that when Nepeco was formed he was not keen on the idea because he did not want small farmers hurt by a monopoly.

There was a surplus of 1 076 cases of eggs of 30 dozen each this year, he said, and the surplus situation could only deteriorate.

The Egg Control Board had this year suffered a loss of more than R7,6-million in the sale of surplus eggs, he said, and the consumer could no longer be expected to pay a levy to cover the export loss.

Last week's Sunday Express article said the price

Schoeman 'was not fully consulted'

... quick reaction

Mr Schoeman to the consumer could well reach a high of 90c a dozen — double what it was during a price war last September before the formation of the Egg Producers' Co-operative.

Mr Mike Hawkins, public relations officer to the SA Consumer Council, this week released figures to the Sunday Express which showed that, if the proposed price rise occurred and marketing trends followed last year's patterns, the price to consumers could reach 92c a dozen — 2c above the price mentioned by the Sunday Express to which Nepeco has taken grave exception.

Official statistics of retail sales, says Mr Hawkins, show that retail prices of eggs rose sharply after the announcement of Nepeco's es-



Establishment last year:	March 1978:	59,4c a doz.
en, retail mark-up	9% on	7,5c a dozen or 12,5%, al-
wholesale 55c a doz. Then:		
April.....	60,1c	
May.....	60,1c	
June.....	61,5c	
July.....	64,4c	
August.....	60,6c	
September.....	60,1c	
Price war. Nepeco formed		
September 11.....	66,7c	
October.....	66,7c	
Nepeco started trading Octo-		
ber 16.....	66,7c	
Nepeco increases wholesale		
price 2c to 57c or 4%.		
December.....	67,6c	
January 1979.....	66,4c	
February.....	66,8c	
March.....	66,9c	
Retail mark-up almost dou-		
bled during year to 17,5%		

This table shows that

from March 1978 to March 1979 the retail price went up 7,5c a dozen or 12,5%, although the wholesale price increase was only 2c or 4%.

The retail price thus went up three times more than the wholesale price.

Using this as a basis, Mr Hawkins calculated that if the proposed price rise of 14% or 8c a dozen goes through, this could in fact mean a retail price rise of 42% or 13c a dozen, making a retail price of 81c at the present mark-up level.

If, however, last year's trend is continued and the mark-up is once again raised to the same extent, the retail price could well reach 92c a dozen — 2c above the figure mentioned in last week's Sunday Express investigation.

She's smiling now — but just wait until the bill comes through...

Nepeco Held Back The Sunday Express: Egg Board has nothing to do with price

onbeheersd...

THE NATIONAL Egg Producers' Co-operative this week lacked last week's front page report in the Sunday Express on the proposed rise in the egg price.

In a statement to the Sunday Express, Nepeco's Board made the following claims (The Sunday Express reply is in bold at the end of each point):

"The word 'demand' (for a bigger egg price) is used inappropriately in that there is no price-governing body or agency in the egg industry... The Egg Control Board has absolutely nothing to do with the price of eggs and therefore Nepeco does not demand price increases from the Board".

● The Sunday Express report did not state anywhere that the price of eggs was controlled. However, it accepts that the impression may have been created that the price of eggs was fixed by the Board.

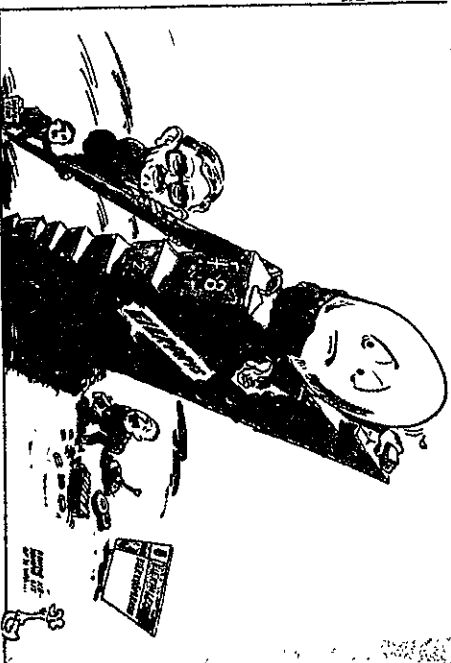
It does not accept that the Egg Control Board has "nothing whatsoever" to do with the price. Newspapers have more than once in the past reported that producers were meeting with the Egg Control Board to discuss the selling prices of eggs, and these reports have not been challenged.

Since the Sunday Express report last Sunday, the Minister of Agriculture, Mr Hendrik Schoeman, has in fact temporarily halted the increase in the egg price at least until after his meeting tomorrow with representatives of the Egg Control Board, Nepeco, the South African Poultry Association and government departments in Cape Town.

The Rand Daily Mail reported on Thursday that Mr Marinus Oosthuizen, chairman of the Egg Control Board and of Nepeco, said "the eventual rise or fall of the wholesale price will depend entirely on the outcome" of this meeting.

□ □ □
Since the Egg Control Board will be present at this meeting, it clearly is involved in any decision on the selling price of eggs.

The Sunday Express has information that last week's planned increase in the price of eggs was, in fact, discussed at a meeting of the Egg Control Board last week, even though the Board does not formally



● How Die Transvaler saw the situation this week
... Minister of Agriculture Hendrik Schoeman about to topple Humpty Dumpty

have to approve the rise.

Nepeco's statement points out that the Egg Control Board has no jurisdiction over the retail price of eggs.

● No such claim or suggestion was contained in the Sunday Express report.

The Nepeco statement continues: "(The allegation that) five of the eight members of the (Egg Control) Board are members of Nepeco is irrelevant

□ □ □

● The Sunday Express has subsequently been informed that six Nepeco members, not five as stated in its article, are also members of the eight-man executive of the Egg Control Board. It considers this fact germane to the situation.

Nepeco's statement describes the Sunday Express allegation that "if the price rise goes through, the cost of eggs to the consumer is likely to (be) double what it was eight months ago" as "devoid of all semblance of truth".

The statement attempts to justify this point by giving details of the wholesale price of eggs at various dates between June, 1978 and May, 1979, adding: "The actual increase on price list... is 10c a dozen, or 18,1%".

● Nepeco here deals with the wrong issue. The Sunday Express report dealt specifically

gives details of laying hens owned by them. It says that the surplus existed long before Nepeco was formed and it is Nepeco's contention that a proportion of every producer's eggs is "surplus".

● The Sunday Express accepts that it may have been incorrect to say that Nepeco's members produce 80% of total production. This figure, however, was taken over from previous Press reports that appeared over the past months and were not challenged.

The Sunday Express accepts Nepeco's statement that its members own 50% of total laying hens and 68% of commercial layers. An expert has pointed out, however, that it would have given a more accurate reflection of the position if Nepeco's statement had given details not of laying hens, but of eggs produced.

Moreover, several independent producers have told the Sunday Express that they are in fact short of eggs. One man told the Sunday Express that independent producers were being forced to cut back — under egg production control introduced last year — "because of Nepeco's surplus".

□ □ □

It is relevant to repeat a statement made in March, 1974, by Mr Eric Karlsen, chairman of the S A Poultry Association and member of the Egg Control Board, that "one large organisation could be responsible for more than 50% of Natal's surplus".

And another, by Mr C J Saunders, chairman of Tongaat (which was one of the initiators of Nepeco) that "the egg surplus increased by 76% in Natal in the financial year 1977/78".

Nepeco's statement does not attempt to refute the Sunday Express allegation that Nepeco compensates its members by paying them a price between the Egg Control Board's floor price of 29c and the current retail price.

The Sunday Express report said: "Nepeco members make a handsome profit out of producing millions of surplus eggs which are then exported at a big loss by the Egg Control Board...".

Nepeco's response to this is:



● How Beeld's cartoonist saw the proposed price rise... 'Hey, Henna, what's this? A compromising picture of you!'

"How can a producer make a handsome profit when the Egg Control Board pays him 13 to 14 cents less than his actual production costs...?"

The Sunday Express was specifically referring to the price paid to Nepeco members by Nepeco, not the Egg Control Board floor price. The report, in fact, also recorded correctly what price was paid by the Egg Control Board for surplus eggs.

In a television interview this week, Mr Manfred Schormann, representing Nepeco, admitted that the payment by Nepeco to its members was higher than the Egg Control Board's floor price. In addition, he used the word "voorskot" (preliminary payment), which could imply that Nepeco members may receive a later, additional payment or "agterskot", in accordance with normal co-operative practice.

Nepeco's statement denies that Mr Marinus Oosthuizen, chairman of Nepeco and of the Egg Control Board, made a statement attributed to him by the Sunday Express, describing it as "untrue and a distortion (sic)".

The contested statement was that, after the proposed increase came into effect Nepeco members would probably be paid an average of 60c a dozen for surplus eggs.

● The Sunday Express this week telephoned Mr Oosthuizen, who said that the 60c men-

tioned by him referred to the wholesale price. He refused to say what price was paid by Nepeco to its members for surplus eggs, saying the matter was to be discussed with Mr Schoeman tomorrow.

The Sunday Express has difficulty understanding how Mr Oosthuizen could have been talking about the wholesale price as 61c a dozen, since it is currently already 57c a dozen and, with the proposed increase, would have gone up to 65c a dozen.

□ □ □

Nepeco takes exception to the Sunday Express statement that the egg price could rise "next week", saying that the increase was due to take place only on May 14 — that is, tomorrow.

● Since the expression was used in an issue published on Sunday, May 6, it is correct English usage to describe the week beginning on Sunday, May 13 as "next week".

Nepeco complains that a quote which the Sunday Express took over from another newspaper report earlier in the week was incorrect. The quote, attributed in the original report to a Nepeco spokesman, was that almost a quarter of the eggs produced by Nepeco — or 25 000 cases containing 30 dozen eggs each — were shunted to the Egg Board every week for export at a loss.

The Nepeco statement says Nepeco was formed nine months ago on 11 September, 1978, but only began trading on 16 October, 1978.

● The significance of this point is not clear to the Sunday Ex-

● The original newspaper report was not challenged, and the Sunday Express therefore included it in the article as being accurate. Nepeco's statement to the Sunday Express in any case does not directly challenge the figures given and the Sunday Express has been told that they are, in fact, accurate.

Nepeco says the Sunday Express "made no attempt to verify (a critical statement by Mrs Joy Hurwitz quoted from a newspaper report) with the Housewives' League and/or Mrs Hurwitz... particularly since a lengthy meeting took place between Mrs Hurwitz... and Nepeco officials... and no interview, as reported, took place between Mrs Hurwitz and/or the Housewives' League and the Sunday Express."

● The Sunday Express did not claim to have spoken to Mrs Hurwitz, who was not available when an attempt was made to reach her, or to have interviewed the Housewives' League. Mrs Hurwitz's comments were taken over from an earlier newspaper report and have not been challenged by her.

Nepeco points out that the report incorrectly used the name of National Egg Production Company. The accurate title is National Egg Producers' Co-operative.

● The name given in the Sunday Express report was wrong. It was the result of a production error.

Nepeco's statement complains that the Sunday Express, in a quote taken over from a report in another newspaper, attributed a statement to a Nepeco spokesman that "rising production costs were largely behind the increase, but the surplus also had to be taken into account".

● Once more, the original report was not challenged and the Sunday Express took it over as being accurate.

What the Bill has to do with ^{3 eggs} the price of eggs ^{Sunday Express 20/5/79}

Sunday Express Reporter

HAD the Advocate-General Bill been law two weeks ago the Sunday Express would not have been able to publish its investigation into the proposed 8c rise in the wholesale price of eggs — and the Minister of Agriculture would most likely not have stepped in and stopped the increase.

That means the public would have had to pay 8c or more a dozen extra for eggs.

The provisions of the draft Bill are so wide it would have been able to stop the Express publishing its findings.

This is how it could have been done:

The Egg Control Board, an official body, is involved in deciding the price of eggs, as was made clear this week when the Minister of Agriculture, Mr Hendrik Schoeman, referred the proposed increase back to the board.

And the board buys surplus eggs for export at a loss — the proceeds from the sale being money receivable by the State.

According to the Express's legal advisers, that would make the investigation a matter for reference to the Advocate-General under Section 4 (1) of the draft Bill, which reads:

"If any person has reason to suspect that . . . any State monies have been or are being misapplied or that any maladministration in connection with State monies has taken place or is taking place"

The matter would also fall under Section 4 (3) of the draft Bill:

"No person shall publish . . . in a newspaper any report relating to alleged misapplication of State monies or maladministration in connection with State monies"

Among recent Sunday Express investigations (apart from that into the Information scandal) which the Advocate-General Bill, had it been law, would have stopped publication of, are:

- Criticism of excessive Escom profits: May 13.
- Cattle grazing on Government land: April 22.
- Cūrios being sold by the Corporation for Economic Development: April 15.
- Allegations of corruption involving Transkei Development Corporation officials seconded from South Africa: February 18.
- The purchase of land for Indians in Witbank.
- The Indian complex land deals in Bronkhorstspuit.

Egg floor price to be reduced

Oeggs RDM 3/16/79

Staff Reporter

THE floor price of eggs is to be reduced, the Egg Control Board said in a statement yesterday.

But a senior board official was unable to say by how much.

The Minister of Agriculture, Mr Hendrik Schoeman, is expected to make an announcement soon.

The floor price — the basic guaranteed price to producers — is being reduced, according to the board, because the current surplus is far in excess of essential needs, and the board has no option but to drop the price.

"The board is aware that producers are fighting for survival, and it is with the greatest reluctance that the decision has been taken."

POLITICS

Egg Board ran up R4m export loss

328
2 Control Board
30/5/79
JD

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

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

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

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

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

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

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

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

A total of 253,7 million dozen eggs were produced for sale in South Africa during the year at an average retail price of 56,52c a dozen.

Figures reflecting the number of eggs sold in South Africa were not available. Mr Schoeman said the chairman of the control board received no salary or allowance, but members of the board received a salary of R1 798, which included travelling costs and official entertainment, and allowances of R6 586 for transport and subsistence allowances. —PS.

Egg prices ^{16/6/79} rise 14 pc ^{3 eggs}

JOHANNESBURG — The price of eggs would be increased by eight cents a dozen from Monday — an increase of 14 percent — the general manager of the National Egg Producers' Co-operative (Nepco), Mr. Johan Kets, announced yesterday.

Mr. Kets said the eight-cent discount which came into effect six weeks ago was now being withdrawn.

He said the increase was far smaller than the 23 percent rise in the price of mealies and other poultry feeds which made up 75 percent of egg production costs.

He said the six-week postponement of the increase had cost farmers more than R1 000 000 and many were nearly bankrupt.

Mr. Kets said a telegram had been sent to the Minister of Agriculture advising him of the increase but a reply had not been received.

Devastating

He added that a further increase could not be ruled out because the fuel price rise had not been taken into account.

A spokesman for the Consumer Council commented that the higher egg price would lead to consumer resistance and could aggravate the problems of egg producers.

The council said it had learnt that the price of fish was to go up within the next few weeks — and this would place an extra burden on consumers.

The president of the Housewives' League, Mrs. J. Hurwitz, said the increase would be devastating to the housewife.

Speaking from Johannesburg she said the league was "very angry" about surplus eggs being exported at a loss.

Mrs. Hurwitz said housewives would not allocate more money to buying eggs because in many cases they did not have it.

However Nepco said the egg surplus was declining because farmers had cut back on hen numbers. — (Sapa and Mercury Reporter.)

Egg price action awaited

JOHANNESBURG — Consumers are waiting to see if the Minister of Agriculture will stop today's 12 per cent wholesale egg price increase. If he doesn't, they fear the retail price could increase by more than 8c.

Mr Hendrik Schoeman successfully pegged the price last month after threatening to freeze it if the National Egg Producers' Co-operative went ahead with its increase. His biggest concern was the massive egg

surplus shunted to the Egg Board for export at a loss. But on Friday, Nepco announced its decision to drop its 8c-a-dozen discount to retailers and increase the wholesale price by 12 per cent.

"Although we understand the price of eggs must increase at some time or another, it shouldn't be increased while we have such a large surplus of eggs," a member of the South African Consumer Council, Mrs Louise Dekker, said yesterday. — DDC.

Manufacture 5 000 units, and the average monthly profit should be

R20 500	12	R540 000 p.a.
45 000		
R65 500		as above

	PRODUCTION	
R60 000 x .2 + 55 000 x .5 + 50 000 x .3 = R54 500	4 000 units	
R35 000 x .2 + 75 000 x .5 + 70 000 x .3 = R65 500	5 000 units	
R10 000 x .2 + 50 000 x .5 + 90 000 x .3 = R54 000	6 000 units	
LIKELY CONTRIBUTION		

The table in (b) above indicates the expected contribution at various levels of production, depending on the number of units sold. The probability of attaining the sales figures given has been calculated in (a). In order to calculate the level of production which will maximise the contribution, one should therefore, for each level of production, multiply the contribution for each level of sales by the probability that the sales will be achieved. This will give the probable expected contribution at each level of production.

Thus,

(i) Contribution per unit = selling price (R40) less variable cost (R25) = R15
 For each 1 000 units sold in excess of production an amount of R5 per extra unit must be deducted from the contribution as calculated on the units produced:

Produced 4 000 units, sell 5 000	R60 000
Contribution on 4 000 units at R15	= 5 000
Less: Ramage on 1 000 units at R5	= 5 000
R55 000	

(iii) For each 1 000 units produced in excess of the quantity sold an amount of R25 per extra unit must be deducted from the contribution as calculated on the units sold, being variable costs of units discarded.

Produced 6 000 units, sell 4 000	R60 000
Contribution on 4 000 units at R15	= 60 000
Less: 2 000 units not sold at R25	= 50 000
R10 000	

	Production (units)	
6 000	4 000	6 000
R10 000	R60 000	R50 000
R50 000	R55 000	R70 000
R90 000	R50 000	R90 000
Sales (units)	5 000	6 000

(a) 4 000 units - probability = 0,2 i.e. $\frac{30}{6}$, where 30 = 6 + 15 + 9
 5 000 units - probability = 0,5
 6 000 units - probability = 0,3
 The probability of 4 000, 5 000 or 6 000 units being sold in any one month is 1:1

Govt freezes

egg price: 8c rise off

3 eggs
19/6/79
SA

By Tom Duff, Political Reporter

CAPE TOWN — The Government has frozen the egg price and is insisting that the National Egg Producers Co-operative (Nepco) should reduce their number of laying hens by 15 percent.

The Minister of Agriculture, Mr Hendrik Schoeman, has made it clear that the present financially unmanageable surplus of eggs has to be eliminated.

He believes the 8c a dozen price increase planned by Nepco would decrease local consumption and increase the "super surplus," much of which is sold at a loss overseas.

In an interview today he said he had approached the National Marketing Council for advice and it had recommended talks be held with the egg producers.

However, the 8c proposed price increase was far too much and in the meantime he was imposing a price freeze, he said.

He was prepared to consider another increase on condition that Nepco could show they had reduced the number of laying hens by 15 percent.

Had Mr Schoeman not intervened the price increase would have come into effect this week. It would have resulted from Nepco withdrawing the promotional discount of 8c a dozen, raising the price from 57c to 65c.

CAPE TOWN — The price of eggs will be frozen from today, the Minister of Agriculture, Mr Hendrik Schoeman announced yesterday.

But Mr Schoeman will be responsible for the bankruptcy of 600 egg producers if he sticks by his decision, according to the chairman of the National Egg Producers' Co-operative, Mr Eric Karlsen.

Consumer reaction, on the other hand, has been ecstatic.

Mr Schoeman's announcement follows speculation that a steep rise in the price of eggs was imminent.

"On the contrary, I intend freezing the price," he said.

"I will not even consider another increase until Nepco can prove to me they have reduced the number of laying hens by 15 per cent."

Schoeman freezes egg price

3 eggs
19/6/77
AD

In May this year the wholesale price of eggs went up 12 per cent. This was followed by calls on Mr Schoeman to ban Nepco, which retailers claimed was monopolistic.

Mr Schoeman is determined to rid the Egg Board of its "financially unmanageable" surplus, most of which is sold at a loss overseas.

Nepco has estimated its surplus will be about 468 million eggs this year, and the Egg Board estimated it would lose as much as R9,3 million from the export of

this surplus. It lost R7,6 million in the last financial year.

Mr Schoeman's argument against a price increase is that it will decrease local consumption, increasing the surplus.

Reacting to the announcement, Mr Karlsen said: "If the Minister feels he is justified in his call the decision will rest on his shoulders and he will be responsible for the bankruptcy of about 600 egg producers."

Recent surveys had

shown an egg price increase for farmers was justified. He said producers were losing R1 200 000 a month at current prices.

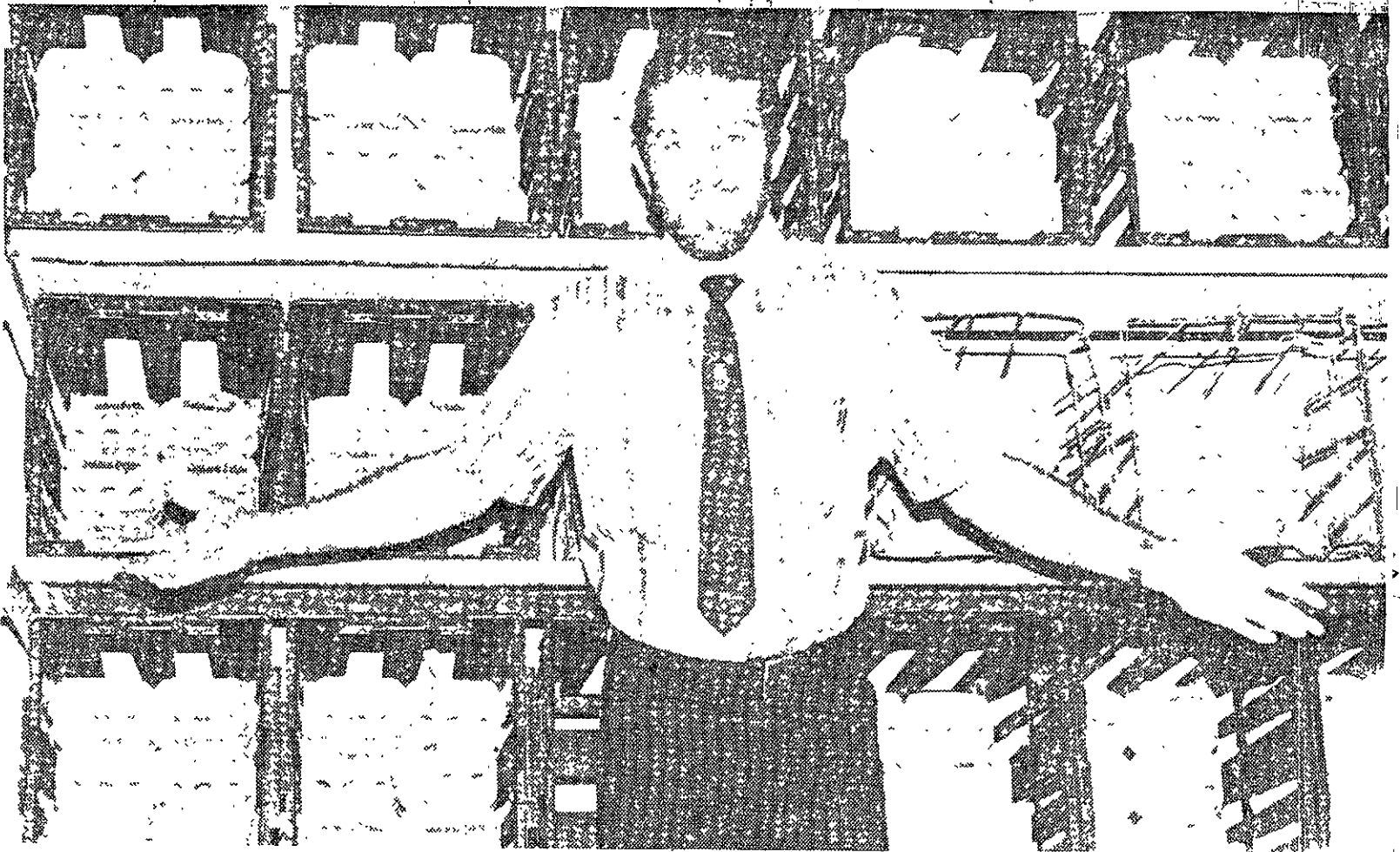
Mr Eugene Roelofse, consumer ombudsman for the South African Council of Churches, said he was "astounded" by the news. He considered this action to be "totally out of character."

"The Minister has at last discovered there are objects called consumers. He, traditionally, has been the first to encourage higher prices, so he must be heartily congratulated," he said.

Mrs Joy Hurwitz, national president of the Housewives' League, said the Minister had "done his duty."

"We feel there should be a thorough, in-depth investigation into the whole egg matter," she said. — DDC.

1. The revised report eliminates the effect of increased production costs as they are not controllable by the branch manager. Other comments:
2. Increased contribution from increased prices.
3. The increased price of widgets may have caused the decrease in volume of widgets. As these have a much higher marginal income ratio than gadgets it might have been better not to increase the price. Consider reducing the price if it will stimulate demand.
4. It seems as though there has been a successful promotion of gadgets (volume-wise) in spite of the increased price, but these have a relatively low marginal income ratio which, combined with the reduced volume of widgets, has resulted in an adverse mix variance.
5. Increased selling effort is reflected in the 126% increase in travel and entertainment, and the 28% increase in office expense.



East London supermarket manager, Mr Dave Rowles, shrugs at the vagaries of the fortune of eggs. The consumer rush prior to yesterday's cancelled increase has left retailers with a surplus because of the flooded market.

Confusion as egg price rises and falls

20/4/79
3 eggs

EAST LONDON — There was confusion about the price of eggs yesterday despite Agriculture Minister Hendrik Schoeman's announcement on Monday that the eight-cent-a-dozen increase was to be scrapped.

The national perishables buyer for a big chain store, Mr N. Leibov, of Cape Town, said an official of the National Egg Producers' Co-operative told him yesterday there was "no way he could change the increased price".

Nepco representatives are to meet the Egg Control Board in Pretoria on Tuesday next week to discuss the massive egg surplus and the 14-per cent price rise which Nepco scheduled for Monday this week.

Mr Leibov said his store refused to pay an extra 8c a dozen yesterday and told Nepco it would "fight about rebates later".

"I telephoned the Minister's secretary and was able to speak to the Minister himself who said under no circumstances was I to put through the increase because he had said Nepco was not to put up the price of eggs until

the meeting on Tuesday," Mr Leibov said.

The manager of the East London Nepco agency said eggs were put back to the old price at 1 pm yesterday. He said he had received "tremendous" reaction from producers who felt they would not be able to absorb the increased costs of egg production. He would not give his name for publication.

Nepco's general manager, Mr J. A. Kets, of Johannesburg, said the co-operative had not received a reply to a telegram telling Mr Schoeman of the increase, so the increase had come into effect on Monday as announced.

Mr Kets telephoned Mr Schoeman at noon yesterday and it was agreed the price rise would be delayed at least until Tuesday.

Mr Kets said many producers had been invoiced for the 14-per cent increase yesterday and on Monday, but they would be credited with it.

"I don't want to talk on behalf of the retailers, but there was no control over what happened," he said.

The price rise had come about without the

Minister's ratification because eggs were not a controlled item, although the Minister had a right to apply for control through the Price Controller.

"It is a very delicate matter at the moment," Mr Kets said.

Nepco expects a surplus of nearly 470 million eggs this year and the Egg Board estimates it will lose nearly R9,3 million exporting the surplus.

Mr Schoeman has said he will not consider the price increase until Nepco can prove it has reduced the number of laying hens by 15 per cent.

Nepco chairman Eric Karlsen has said the Minister will be responsible for the bankruptcy of 600 producers if he sticks to his decision. — DDR

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WEDNESDAY, JUNE 20, 1979

THE EGG SHAMBLES

THE SPORADIC price dispute clashes between consumer organisations and producers more often than not have their origins in mutual misunderstandings or the bungling of control boards and the Department of Agriculture, which vacillate between the free enterprise system and one bordering on socialism.

Eggs are the latest product to come into the limelight. On Friday the general manager of the National Egg Producers' Co-operative announced a price increase of eight cents a dozen — a decision which on Monday galvanised Mr. Hendrik Schoeman into announcing a price freeze from yesterday.

The Minister, it seems, is determined to rid the Egg Board of its 468 million surplus, which is exported at a loss of millions of rands annually, claiming that a price rise will reduce local consumption and so increase the surplus.

But the egg producers have already cut their hen population by 891 000 in an attempt to stabilise the industry, and the present surplus will be reduced to 850 000 cases by next year and to 700 000 cases by 1981. They informed Mr. Schoeman of their decision to raise the price, but when he reacted it was through the Press with

the "freeze" threat which caused the present consumer outcry.

Our readers should not be deceived into believing that the price of eggs will not increase as feed and production costs rise; periodic increases are an inevitable part of the continuing inflationary process.

The Minister should realise that he cannot on the one hand discourage production by opposing a legitimate price increase and on the other limit production; either he adheres to a free market mechanism, or moves nearer a system of bureaucratic socialism. The producers are entitled to know where they stand.

Some time ago the Minister imposed production control, then lifted it at the behest of the small producers. The whole system has now got out of hand, and producer and consumer alike are suffering the inadequacies of an anachronistic system which has failed to keep pace with the times.

Bankruptcy among farmers is the highest of all sectors of the economy, yet the nation cannot manage without them. Their problems deserve sympathetic consideration by the Government, but not to the detriment of the consumer, who is making his contribution to the economy in other ways.

A head-on clash between the Minister of Agriculture, Mr. Hendrik Schoeman, and egg producers can be expected when they meet in Pretoria next week in a final effort to sort out the problem of South Africa's super surplus of eggs.

Mr. Schoeman will probably be called upon to decide once and for all if the egg industry is to become Government controlled like the maize and dairy industry or be allowed to operate freely without haphazard control measures by Mr. Schoeman.

The root of the problem is the country's surplus of some 468 000 000 eggs which will have to be disposed of on overseas markets at a loss to producers of R9 000 000.

That the eggs are sold at a loss is no fault of the industry. There is a worldwide egg surplus and eggs can only be sold at low prices.

Feathers may fly in egg industry

3 egg
sum

2/16/79



The problem of agricultural surpluses is universal. The irony of the situation is that the poor countries who need the food cannot pay for it. In South Africa other food exporters find themselves in a similar position of being forced to export at a loss.

The sugar industry is borrowing millions of rands so that it can continue exporting at a loss and maize is also exported at a loss.

In spite of warnings made years ago that a crisis in the egg industry was fast approaching Mr. Schoeman has ignored the danger signals. The action he has now taken in freezing the egg price is too late and too drastic.

The Minister has for

years failed to heed the warnings that an effective system of production control was needed to bring down the surplus.

Mr. Schoeman has been accused of consistently playing ducks and drakes with producers on measures suggested by themselves to bring stability to the industry.

Better natures

Most egg producers would welcome production control if assurances were given that all egg producers did the same. The Minister has been accused of pandering to some farmers who have strongly resisted reducing their flock numbers.

The egg surplus is rather like the country's fuel conservation measures — you cannot appeal to people's better natures to drive at 70 kph — effective laws are needed to force everyone to comply.

Mr. Schoeman will most likely be forced to decide whether the egg industry is to be rigidly controlled and the price of eggs fixed annually by the Marketing Council in the same way as many other agricultural products.

Once he has done this egg producers will at least know where they stand. The efficient will survive and marginal producers will go bankrupt.

The National Egg Producers' Co-operative (Nepco) has been the whipping boy ever since its formation and the public, newspapers and supermarkets have criticised its operations. Nepco cannot, however, be blamed for something it inherited from the Minister's bungling of the egg surplus.

Positive steps

The management of Nepco is the first to admit that the current super surplus cannot be allowed to continue and the Co-op has taken positive steps to reduce the present surplus from 1 300 000 cases to 850 000 cases by 1979/80 and to 700 000 cases by 1980/81. A strategic reserve of about 700 000 cases of eggs is needed to protect consumers from wild price fluctuations during seasonal shortages.

Mr. Schoeman's decision to freeze the egg price is incomprehensible. Two independent cost surveys, one conducted by the Government itself, have proved that an egg price increase is justified.

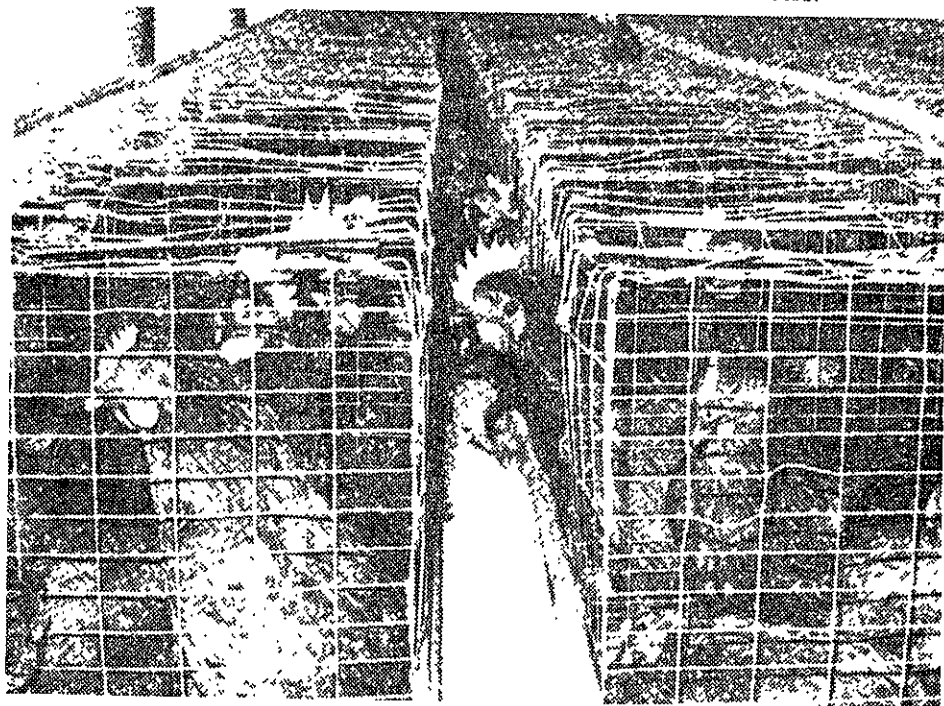
Current prices

At current prices producers are losing R1 200 000 a week and are, in fact, selling eggs at well below production cost.

Recent increases in the cost of maize which constitutes 65 to 70 percent of laying rations plus a host of other increases in packaging, wages, electricity, transport and distribution have added another five cents to production costs without taking into account the latest fuel price hike.

Nepco's chairman, Mr. Eric Karlsen, has predicted that about 600 egg producers are likely to go bankrupt if the egg industry is not granted an increase. He said the responsibility would rest on the shoulders of the Minister of Agriculture.

I endorse the opinion of the director of the South African Agricultural Union, Mr. Chris Cilliers, who recently told me that if Mr. Schoeman again listened to consumer demands not to increase the price of foodstuffs, the Minister will be extremely foolish.



The Minister of Agriculture has demanded that South African egg producers reduce their flocks by 15 percent in an effort to bring down the egg super surplus. This means that about 1 500 000 laying hens face the chop.

● CUSTOMERS FACE RISE

● HENS TO BE SLAUGHTERED

SOUTH Africa's great egg-price fiasco will be unscrambled on Tuesday — and it is the housewife who will end up paying.

On that day the Minister of Agriculture, Mr Hendrik Schoeman, will hold discussions with the Egg Control Board and he will almost certainly approve a wholesale price increase of 8c a dozen eggs.

But he will exact a price. It is expected to be a largescale slaughter of laying hens to reduce the huge egg surplus which is being exported at an annual loss of from R6-million to R8-million.

Mr Schoeman's decision will mean defeat for those who have waged consumer warfare for two months to prevent the price increase, announced by the National Egg Producers' Cooperative. They succeeded in persuading the Minister to "freeze" the egg price temporarily.

In view of the impending negotiations the major egg producers this week refused to discuss their case with The Sunday Times and also turned down an offer from the SABC to put their case to television audiences.

However, The Sunday Times has learnt that Mr Schoeman will be confronted with a formidably documented case for the price increase when he meets the Egg Board, which is dominated by producers.

He will be shown carefully compiled indices, based partly on Department of Statistics figures, that show wholesale egg prices have not kept pace with production costs.

Villains

Figures will be produced to point the finger at retailers rather than producers as the villains of the egg price saga.

Egg producers will argue that they have been very restrained in demanding price increases — so restrained that over the last seven years food prices in general have gone up (in percentage terms) twice as much as the egg price.

Mr Schoeman will be told the need for a price increase is largely his fault — in so far as every time he approves a maize-price increase he enormously boosts the major cost of producing eggs — the cost of chicken feed.

Finally, he will be told that if he does not approve the increase he will be responsible for allowing three large milling companies to take over almost the whole of the egg industry — rather than only controlling half of it as at present.

Big business

All that he will be told will be true. None of what he will be told will tell the whole story of an industry capable of great production efficiency and technical expertise, but plagued by commercial miscalculation, big-business pressure, corporate desire to maximise profits, and the plain bloody-mindedness of nine million hens who stepped up their laying at the wrong time.

Big business, in the corporate personae of Premier Milling, Tiger Milling and Sengaat Milling, started muscling in on the egg-producing industry about four years ago.

They did so partly by accident, partly to recover bad debts and partly to protect major investments they had recently made in plants to produce chicken feed.

It's egg on your face again!

Special report by **Kevin Stocks**

They also used their financial muscle, and their access to technical expertise, to greatly increase production of eggs — without increasing the number of hens.

But they, and the other big producers, miscalculated. Historically, demand for eggs in South Africa had grown at a rate of from nine to 10 per cent a year and the producers assumed this would continue.

It did not. When the economic recession struck, egg consumption, instead of increasing, actually fell by two per cent. Result: A surplus.

In most industries a surplus means a price war. For a while in the egg industry it meant just that — but only for a while.

After a brief price war the three milling companies got together with about 600 other producers and formed Nepco — the National Egg Producers' Cooperative. Various other producers remained independent.

Except for a severely limited range of products, not including eggs, price collusion is illegal in South Africa.

However, as a cooperative, Nepco is regarded as a single producer and its products go out under the Nepco name. Thus its members can legally agree on a fixed common price — and they do.

The argument for the existence of Nepco is plausi-

ble. If market forces were left to operate normally in the egg industry there would be a price war and only the financially strong would survive.

The end result, it is argued, would be an egg industry totally dominated by the Big Three — dominated to the extent of nearly complete vertical integration with the three companies producing the feed for the chickens, producing the eggs, handling the marketing, distribution, storage and export of their products and also setting the price levels.

Price

This, it is argued, is undesirable and Nepco, at least, gives the smaller producer the chance to survive.

The argument is persuasive but it ignores the fact that there are producers outside of Nepco who are surviving and that the big

ONLY 8c per doz. more!

DAVID GASKILL



chain stores prefer dealing with the independents.

In South African agriculture, a surplus also means a control board — in this case the Egg Control Board.

Its job is to buy surplus eggs from consumers at a floor price pitched deliberately low to discourage overproduction, and to export the surplus at the best possible price — and this almost always means exporting at a loss.

Nepco, however, has been bypassing the discouragement of the low floor price by paying members an extra amount over the floor price for their surplus eggs. The Egg Board finances the export of surplus eggs through a levy on all eggs marketed.

During the brief price war the Minister of Agriculture was approached to reinstitute production control of the egg industry, and he agreed to do so.

As a result, between June 1978 and February 1979, the number of laying hens was reduced by about 8,6 per cent. Large producers cut numbers by 15,8 per cent.

But the producers miscalculated. Egg production fell only minimally.

Nepco members claim,

however, that there is no real egg surplus in South Africa. Constant overproduction of 10 per cent is necessary, they say, to allow for seasonal fluctuations in demand.

The same people also argue, somewhat contradictorily, that the surplus is only due to the fact that egg consumption in South Africa fell instead of rose as had been expected.

Feed costs

They also say that a price increase would be necessary even if there were no surplus. This, they say, is because production costs have increased so much faster than the price of eggs.

And production costs have increased mainly because feed costs have increased and the feed is supplied by the three milling companies who are themselves the major producers of eggs.

However, the companies blame the feed-price increases on the increased cost of maize, which is out of their control.

Whoever one likes to blame, producers, retailers, the Government, or the Egg Board, it is certain that the price of eggs will go up.

Minister will oppose rise in price of eggs

Argus

25/6/79

3-299

Political Correspondent

THE Minister of Agriculture, Mr H Schoeman, said today he doubted whether egg producers could persuade him tomorrow to raise the price of eggs.

The Minister meets representatives of the National Egg Producers' Co-operative (Nepco) and the Egg Board in Pretoria tomorrow about the fluctuating price of eggs.

Nepco has on two occasions backed down on a threatened 8c a dozen price increase in the face of warnings by Mr Schoeman that he would ask the Price Controller to freeze the price if necessary.

NOT SURE

With a vast surplus of eggs in the country Mr Schoeman believes a price increase would be counter-productive. He has urged egg producers to improve their marketing campaign rather than to increase the price to offset rising production costs.

Mr Schoeman said today he could not say for sure what the outcome of the



Mr H Schoeman

talks might be. But he doubted he would agree to a price increase. If he did, it would not be for 8c a dozen.

'An increase is still possible but the producers must first convince me that they are cutting back on production by reducing the number of laying hens,' he said.

Unresolved egg price row leads to unhappiness

Farming Correspondent

The price dispute involving the egg industry remains unsolved, leaving consumer and independent producer organisations unhappy.

The Minister of Agriculture, Mr Hendrik Schoeman, held inconclusive talks in Pretoria yesterday with the Egg Control Board and the National Egg Producers' Cooperative (Nepco).

He will meet egg producers again at the end of July. In the interim, the industry will study ways of cutting production costs, improving marketing techniques, and cutting the egg surplus.

The meeting came after a threat from the Minister to freeze the egg price if Nepco went ahead with its planned 8c a dozen increase.

Mr M. G. Hawkins, chief public relations officer of the Consumer Council, said that the temporary price freeze had been favourably received but consumers were worried about the state of the egg producing industry.

It appeared to them that there were factions which believed that they could profit by the current turmoil and the unwieldy surplus.

CONSUMER

The Consumer Council emphasised that any strengthening of the position of feed producers in the egg industry could, in the long run, only be detrimental to the consumer.

The council thought that the egg farmer had a valid case for an increase in price, but that the position in which the egg industry was today did not justify such an increase.

Mr Iain Bartlett, chairman of Northern Poultry Producers, said that while the Minister was trying to

By forcing the entire egg industry to operate at a loss because large producers dragged their feet in restricting a surplus which they alone were causing, the Minister was destroying the independent egg farmer.

The big companies would now start consolidating their near-monopoly.

Minister puts off decision on egg price

NW
27/6/77
3 eggs

PRETORIA — The Minister of Agriculture, Mr. Hendrik Schoeman, has delayed a decision on the egg price until the end of next month.

In a statement after a meeting with the National Egg Producers' Co-operative (Nepco) and other producer organisations, Mr. Schoeman said yesterday that for the time being he would not freeze prices because Nepco had voluntarily agreed not to raise prices at this stage.

He will meet egg producer organisations again at the end of next month. In the interim, the industry will study ways of cutting production costs, improving marketing, and cutting the large egg surplus.

The meeting follows a threat from the minister to freeze the price of eggs if Nepco went ahead with its plan to raise the price by 8c a dozen.

Reasons for egg price rise

SIR, — With reference to the article in the Mercury of June 21 by your Agricultural Correspondent on the egg problem, I note there is a world-wide egg surplus and that our surplus of eggs will have to be exported, evidently at a considerable loss.

Could your Agricultural Correspondent explain the reasoning behind the egg price increase which will only result in housewives reducing their purchases and thereby adding to the surplus? Surely if the price was reduced housewives would be only too glad to increase their purchases, thereby reducing the surplus without going to the expense of exporting at a loss.

M. E. RUSSELL

305 Arlington,
45 Marine Parade,
Dbn. 4001.

FOOTNOTE. — The reason why egg producers want an increase in price is because production costs have sky-rocketed in the past few years. Many are either selling at below the cost of production or are showing minimal profits in relation to their investment.

The industry as a whole is said to be losing about R1 200 000 a month. Like all other businessmen, farmers must sell at a profit if they are to stay in business.

If the price of eggs was reduced egg consumption would not rise. This has been borne out by countless economic surveys both in South Africa and overseas. In terms used by economists, the demand for eggs is inelastic.

It has been shown that if the price of eggs increases or decreases by 15 percent, there is no change in consumers' purchases of eggs. Only if housewives persuaded their families to double the quantity consumed, would a price reduction benefit egg producers.

The Minister of Agriculture's decision to freeze the price of eggs at current levels

may yet prove to be unwise and it could backfire on consumers. Many egg producers face bankruptcy through his decision. If a host of small farmers are forced out of business egg prices in South Africa will rise sharply. Last year housewives complained about cheese and butter prices. The farmers gave up producing. Now the country is importing cheese and butter.

In the past year egg farmers have cut back on flock numbers by 25 percent and the country's egg surplus is dwindling. Stability should be achieved by the end of the year. How many egg farmers will go out of production as a result has yet to be seen.

It would do well to remember that every developed country in the world has a surplus of some food products, especially eggs and dairy products. Is it the fault of the farmers that politics makes it impossible for the poor countries to buy the excess food? South Africa until recently had a lucrative market for eggs in Iran which has now been lost. — Peter Sutton.

Land Act in 1971, 194 297 has been under the Development and Agr. and last year 11 had, bringing the total purchase date up to 4 101 200 ha. at a cost of R35m. Still to be purchased 612 141 ha. 117 700 ha have been added to black areas. As a result of the removal of black areas (except badly situated black areas) still removed.

LEWISA Shanda High School students yesterday in protest against the engagement of a new principal. Throughout the boycott which lasted until Monday, police in camouflage uniforms and members of the security police kept a low profile. Lewisa Shanda High School students yesterday in protest against the engagement of a new principal.

By GEORGE MAWAINISO
The 12 ter the C when it p Mr B p entered students' day in protest against the engagement of a new principal. Throughout the boycott which lasted until Monday, police in camouflage uniforms and members of the security police kept a low profile. Lewisa Shanda High School students yesterday in protest against the engagement of a new principal.

Zwifilshia hou
14 APR 1979
EXPOS

Nusas rejects proposals
The government proposals for that greater control over the future development of community. The publication says this new approach has been necessitated by the resistance of the National Union of South African Students (Nusas). In a publication on Crossroads which appeared yesterday, Nusas says the "new approach" adopted by the government is "unacceptable".

Some infrastructure would be provided, but the people would be permitted to erect shacks as their skills and financial means permitted. Some infrastructure would be provided, but the people would be permitted to erect shacks as their skills and financial means permitted.

One cause of friction between the government and the Bophutha-Tswana squatters stems from the fact that most of the tenants are not Tswana. Many wintered people claim that they have been told to take out Bophutha-Tswana citizenship or leave the area. Smit says that friction is heightened because non-Tswana are seen as competing with Tswana for scarce jobs.

Out of sight, out of mind. That seems to be the fate of the 500 (or so) people in the Bophutha-Tswana area. That seems to be the fate of the 500 (or so) people in the Bophutha-Tswana area.

People are living there
WINTERVELD M.M.
20 APR 1979

Huge egg debt may hit prices

Argus Correspondent

DURBAN. — South Africa's multimillion-rand egg industry faces its worst crisis with the National Egg Producers' Co-operative (Nepco) running up debts of R1,25-million in the past year, and auditors referring accounts to the Auditor-General.

In a bid to prevent further losses, Nepco cut the average price paid to farmers by 1½c a dozen to an average price of 36½c, while continuing to sell eggs wholesale at 55c a dozen (large).

This means the housewife can pay twice the amount the farmer receives for his eggs.

This debt was run up in the first year of the operation of the controversial co-operative and next week Nepco will meet the Minister of Agriculture for the third time in a few months to press for at least 8c a dozen more in the wholesale price.

AT A LOSS

The Nepco debt was disclosed at a meeting of small farmers near Maritzburg when a letter from Nepco auditors was read stating that the egg price to farmers would have to be reduced to enable mounting debts to be paid.

They were told that by law a co-operative could not trade at a recurring loss and that Nepco members were responsible for the debts.

The alternative was for the Minister of Agriculture to allow an egg price increase, a move he had delayed on two previous meetings on the grounds that the huge surplus, which was exported overseas at a loss, had first to be reduced.

Large producers have agreed to cut back production and now pressure is expected to be put on the small farmers to cut back as well, a move which many fear will force them out of business.

468-M SURPLUS

The root of the problem is South Africa's surplus of about 468-million eggs which were sold overseas at a loss to producers of R9-million.

Last month Nepco's chairman, Mr. Erik Karlsen, predicted that about 600 egg producers were likely to go bankrupt if the egg industry was granted an increase.

The As
accounts

27/7/79
3 eggs
A.O.

W.F.J.

Egg price solution

Pretoria Bureau

The egg price controversy is expected to be settled early next month.

A meeting between the Minister of Agriculture, Mr Hendrik Schoeman, the National Egg Producers Co-operative (Nepco) and the Egg Board due to be held on July 25 - was postponed to August 2.

The controversy centres on the intention of the egg producers to raise prices by eight

cents a dozen. The Minister intervened on two occasions and threatened to freeze the price if producers attempted to raise them.

The problem is the anomaly that price rises are wanted at a time of heavy overproduction.

A spokesman for Nepco said yesterday the solution to the surplus problem lay somewhere between a cutback in production and a drive to raise the consumption of eggs.

Memorite Central Committee se konferensie oor: 'Die Rol van Geskiedkundige Vredeskerke', Gaborone, Botswana. Verhandeling voorgelê oor: 'The Role of Churches in Promoting Justice in Southern Africa' (Oktober).

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

elwyns-Professionele en Openbare

die Godsdienstige Vriendekring

die Quaker Service Fund in die Kaap, Nasionale Uitvoerende Komitee en van

die bevorder. Nasionale Sosiologiese Vereniging vir

ROERING EN DANK

vir die geleentheid wat die jaar- lering te betuig aan lede van die

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

14

navorsings-Fellows het aansienlik tot die Sentrum se program bygedra: dr Sheila T. van der Horst, afgetrede mede-professor van Ekonomie, U.K., en professor J.L. Boshoff, gewese Rektor van die Universiteit van die Noorde.

LIDMAATSKAP

Soos vooreen gemeld, is die Sentrum vir Intergraspeudies geregistreer as 'n maatskappy. In die Memorandum en Statute van vennootskap word voorsiening gemaak vir die benoeming van eenhonderd lede. Tans is daar 57 lede en hulle sluit die volgende in:

a) Drie stigterslede:

Mr J.G. Benfield
Mr H.L. Kennedy
Mr P.G.T. Watson

b) Sewentien persone wat gedurende die afgelope 10 jaar lede van die Beheerraad was (* dui stigterslede aan):

Professor E.V. Axelson
Professor J.F. Beelman
Professor J.F. Brock
Mr C.S. Corder
Professor W.H.R. Dean
Dr J.P. Duminy
Professor G.F.R. Ellis
Biskop A.W. Habesgaarn
Mr E.V.E. Howes
Professor M.F. Kaplan
Ds. W.A. Landman
Mr G.K. Lindsay
Sir Richard Luyt
Professor S.J. Saunders
Professor H.W. van der Merwe
Mede-professor D.J. Welsh
Professor Monica Wilson

3

Egg producers to be paid less

28/7/79
N.M.
3 eggs

Mercury Reporter

SOUTH African egg producers would be paid 1,5c a dozen less for their eggs in an effort to wipe out a R1 250 000 debt incurred by the National Egg Producers' Co-operative in its first 10 months of trading, it was announced yesterday.

Farmers will now receive an average price of 36,5c a dozen.

Eggs will continue to be sold wholesale for 55c a dozen.

Mr. Johan Kets, general manager of Nepco, yesterday denied the debt indicated a crisis.

"The figure involved is very small in relation to our turnover of R70 million a year," he said.

It had been incurred during the establishment of the co-operative over the last 10 months and had

been anticipated.

"We have now reversed the initial trend and are operating at a profit," Mr. Kets said.

He said the entire deficit would be wiped out within a year.

This would be done by paying farmers slightly less for their eggs.

"We have not lost any money, we have merely been paying out too much in the past."

Mr. Kets said it would be possible to wipe out the debt over a shorter period if that became necessary.

The position had been discussed with the registrar of co-operative societies and it was agreed

to allow the debt to be eliminated over an extended period.

This decision had been taken to avoid placing an unnecessary burden on struggling poultry farmers.

Nepco will approach the Minister of Agriculture, Mr. Hendrik Schoeman, this week to get an 8c rise in the wholesale egg price.

The minister has rejected three applications for an egg price increase in recent months.

Dis stank vir dank, sê

...en toe was daar 'n tranedial

min. Hendrik

Deur MARISSA VAN NIEKERK

„HIER het ek 'n grensuwerheid begin sonder 'n Landbanklening. Ek wil graag weet wat doen die mense wat my kritiseer om werkgeleentheid vir ander te skep.”

Die Minister van Landbou, mnr. Hendrik Schoeman, was 'n telegestelde man toe ons hom Vrydag op sy plaas Moosrivier, begrens deur Lebowa, anderkant Groblersdal, besoek.

Die koerant Post het hom Dinsdag in 'n voorbladberig daarvan beskuldig dat hy van kinderarbeid gebruik maak en sy werkers 'n hongertoeloon betaal.

Die plaasbestuurder op Moosrivier, mnr. Piet Smit, wat al 16 jaar vir mnr. Schoeman werk, vertel dat daar gereeld swart mense van alle ouderdomme kom werk soek. Twee weke gelede het daar 200 hoopvolle werkloos by die pakhuis rondgestaan.

werkers op

51

nie een wat op die plaas werk wat nie kos kry nie,” sê mnr. Schoeman.

Die tieners wat hy in diens gehad het, was kinders wat in die skoolvakansie 'n sakgeldjie wou verdien. Geeneen van hulle was jonger as 14 nie. Hulle het ook vir 80 sent per dag gewerk.

Woensdag, die dag nadat die berig in Post verskyn het, is 73 van hulle afbetaal, en toe was daar snot en tranes,” vertel die Minister op sy kenmerkende manier. Dit is baie droog in daardie wêreld en baie van hulle het kom werk soek ter wille van die etes wat hulle kan kry.

Mnr. Schoeman sê egter dat hy toenemend moet meganiseer om op 'n grondslag van 4,4 persent wins op sy belegging te bly. Dit sal beteken dat werkers afgedank moet word, ook sodat die oorblywendes hoër lone kan kry.

„Ek glo aan gelyke betaling vir gelyke produksie, maar ook vir gelyke eentlikheid en verantwoordelikeheid,” sê mnr. Schoeman.

„Vertel vir haar, Piet van die goeie gesindheid wat ons het met die kapeins wat hier om ons bly,” gesels die Minister terwyl ons al langs die grens met Lebowa opry. Die bestuurder beaam dit. Hulle kom vra ook dikwels werk vir hulle mense.

Aan die ander kant van die Lyndraad lê die onbewerkte grasveld van Lebowa silwerwit in die laatmiddagson. Hierdie kant staan die wingerd in netjiese rye, ook avokadobome, pekanneutbome, en die lemoenen nartjiebome se blare is toegevoel en dofgroen van dors.

„Wanneer laas was jy in die kerk, Piet?”

„Ek gaan so gereeld ek kan, Hendrik, ek dien al 27 jaar in die kerksaad...”

Hendrik knik goedkeurend. „Ons moet vra vir reën...”

MNR. HENDRIK SCHOE-MAN tussen sy werkers — „Ek het 'n grensuwerheid begin sonder 'n Landbanklening.” (Foto:Lieza Louw)



4

3-eggs

MARKS SUNDAY EXPRESS

This headline

THE GREAT EGG PRICE SCANDAL

The Sunday Express headline that started the investigation.

saved YOU money

By JEAN LE MAY

A SUNDAY EXPRESS investigation into the egg price led to a flood of public protest and was largely responsible for the Minister of Agriculture deciding this week to freeze the price of eggs, Mike Hawkins of the SA Consumer Council said this week.

This week the Sunday Express was invited by the Board of Trade and Industries to make a submission to the board's investigation into the poultry industry, including the supply of feed to the industry, under the Monopolistic Conditions Act gazetted last month by the Minister of Industrial Affairs, Trade and Consumer Affairs, Dr Schalk van der Merwe.

Mr Schoeman threatened to freeze the egg price on May 7 — the day after a Sunday Express investigation following a National Egg Producers' Co-operative announcement that the wholesale price of eggs would go up by 8c a dozen.

He had not been consulted about the increase, the Minister said, adding that he would ask the Price Controller to go into the matter and that price control of eggs may have to be introduced. This week the Minister acted, after

several meetings during the last three months with the Egg Control Board and Nepco representatives.

He would not permit a price increase in the foreseeable future while the egg surplus remained as large as it was, he said.

The Sunday Express disclosed on May 6 that Nepco's proposed 8c a dozen increase in the wholesale price could lead to consumers paying double the price eggs were before Nepco was formed last year.

It also disclosed that Nepco members got more than the floor price for eggs sold to the Egg Board, and that the chairman of the Egg Board, Mr Marinus Oosthuizen, was at that time also chairman of Nepco.

Moreover it established that no less than six Nepco members were members of the eight-man executive of the Egg Board.

Since then Mr Oosthuizen has been replaced as chairman of Nepco by Mr Eric Karlsen, chairman of the SA Poultry Association and a member of the Egg Board.

Shortly after the Sunday Express expose, Mr Oosthuizen did not turn up at the recording of a TV programme on the proposed egg price increase. In it another Nepco spokesman admitted that Nepco members received a higher-than-floor price for their surplus eggs from the Egg Board — as disclosed by the Sunday Express and initially denied by Nepco.

Last year the Sunday Express disclosed that the country's three biggest pre-milling companies — Premier Milling, Tiger Oats and Tongaat — had gradually gained control of egg producing companies, allegedly to find an outlet for the over-production of their feed mill capacity.

These three companies are known to have been behind the formation of Nepco — whose members own 60% of all commercial laying hens.

PERSONNEL

Die vaste personeel bestaan uit die Direkteur, Professor Hendrik W. van der Merwe, M.A. (Stellenbosch), Ph.D. (Kalifornië), die Administratiewe Assistent, mev. H. Albertyn en 'n deeltydse sekretaresse, mev. B.J. Chapman. Gedurende die jaar is meej. Morna Cornell en Ruth Ruthersford as tydelike klerklike assistente en meej. Judith Cornell, B.A. (Universiteit van Kaapstad) as deeltydse navorsingsassistent in diens geneem. Twee ere-

JARVERSLAG
1978

SENTRUM VIR INTERGROEPSTUDIES
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Market report is read

Sunday Express
Reporter

JOHANNESBURG City Council's management committee is considering a report by the Produce Market Commission on irregularities at the Johannesburg produce market, Town Clerk Mr A P Burger said this week.

A source close to the commission said the report confirmed allegations of corruption disclosed in a series of articles in the Sunday Express last year.

The probe, headed by the chairman of the commission, Mr Piet Venter, was ordered by the Minister of Agriculture, Mr Hendrik Schoeman, as a result of the Sunday Express expose.

The report was sent to the council for comment by Mr Schoeman early in July, Mr Venter told the Sunday Express this week.

The council was given two months to reply.

Until now the Johannesburg management committee and former market director Mr Shields Robinson, who has since retired, denied allegations of corruption at the market.

There were stormy debates in the city council in which Progressive Federal Party councillors called for an official investigation, which has now been completed by the Produce Markets Commission. It is understood that further steps are contemplated by the commission.

The Sunday Express investigation exposed a well-organised racket at the market which costs consumers and farmers millions of rands a year.

Other rackets at the market were also uncovered in the investigation, which was commended in last year's Stellenbosch Farmers Winery award for investigative reporting under pressure.

Sentrum vir Intergroepstudies gereeld 'n jaarverslag wat sy werksaamhede gepubliseer. Om die Sentrum se 10de verjaarsdag op 1 April 1978 te vier is die jaarverslag in 1977 vervang deur 'n Oorsig oor die Eerste Tien Jaar.

DIE OORSPRONG EN DOELSTELLINGS VAN DIE SENTRUM

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Schoeman's 'no' to egg price hike

NM 3-Eggs 9/1/79

Agricultural Correspondent

THE MINISTER of Agriculture, Mr. Hendrik Schoeman, has for the third time turned down pleas from the country's egg producers for an increase in the price of eggs.

At a meeting held in Pretoria on Thursday, senior members of the Department of Agriculture, the National Marketing Council and the National Egg Producers Co-op (Nepco) met.

Mr. Schoeman stuck to his guns and said he would not consider an increase until the present egg surplus was reduced to more manageable proportions.

Mr. John Kets, general manager of Nepco, said in a statement yesterday that in spite of undisputed recent cost increases it was unlikely that Nepco would adjust the effective wholesale price of eggs until there had been a meaningful improvement in the balance between supply and demand.

Basic foods

Mr. Kets said in the light of recent increases in the prices of many basic foods coupled with the rising price of meat, eggs have now become an even more favourably priced source of protein than before.

He said it was hoped consumers would make full use of the current situation in planning their menus and that retailers would assist by featuring eggs as prominently as possible in their outlets.

Meat surplus

From Pretoria Sapa reports that the chairman of the Meat Board, Mr. P. R. du Toit, said consumers must be warned that the apparent present red meat surplus "now could change to a serious shortage".

He was concerned about rumours that there was a huge meat surplus and that prices ought to be reduced.

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Egg-price dispute

By DONALD ANDREW

THE fate of the egg price hinges on a crucial egg producers' meeting in Pretoria this week when angry independent farmers and the National Egg Producers' Co-operative (Nepco) are set to clash on ways of reducing the costly egg surplus.

The independents are convinced that abolition of the Egg Control Board (ECB) is the only solution.

Their view is based on the apparent failure of the ECB's prime function — "to stabilise the domestic market by removing surpluses through export."

That the meeting was ordered by Agriculture Minister Hendrik Schoeman, is to them pointed evidence of the disarray in the market — with the public footing the bill through rising prices.

The board removes surplus production by buying from producers unsold eggs at a floor price, usually higher than that obtained through export. To cover this loss of millions of rands a year, there's a current 4c a dozen levy built into the retail price in controlled areas.

Independents claim that "surplus-removing" encour-

ages production regardless of demand or profitability. Without it, their argument goes, the free market mechanism would soon trim production to match demand.

Though the ECB has been charged with convening the meeting, it is significant that it plans to be party to the debate rather than chair it.

This "neutral" duty is scheduled to befall the SA Poultry Association, which, ironically, nominates five of the eight ECB members.

Consumer representatives to the meeting may boggle at the inflationary implications of proposals gaining popularity in the Nepco-ECB camp.

Their premise would seem to disregard the Minister's brief of finding ways to decrease production.

Instead, the oversupply problem is seen rather as one of under-demand. And the solution is to raise funds to the tune of

R500 000 to boost egg consumption effectively.

Again the egg price would probably be raised — with all producers acting in concert — in order to finance the promotion.

A solution avoiding cutting back on production would, however, have some appeal for the independent egg farmers, too.

The result of the production reduction demands has seen them, in effect, simply handing over their markets to the Nepco marketing organisation.

They point out that the ECB requires to know, for auditing the levy and studying statistical trends, quantities delivered to specified retailers.

Their dislike of the ECB-Nepco connection is reinforced by the presence on the ECB of the present and past Nepco chairmen, another Nepco executive director, and a further one of the 20 Nepco directors, making four in all of the five ECB-Nepco members.

The independents' resent-

ment and suspicion of Nepco runs deeper, interviews last week revealed.

Two of the ECB members are employed by two of the Big-Three milling company groups (Premier, Tiger and Tongaat) which produce 40% of eggs. One is the ECB chairman and also past chairman of Nepco.

The independents' allegations of collusion originate in their experience of the feed supply situation.

"Competing" feed companies stick to the same prices, delivery charges and discounts.

High feed prices push up the cost of eggs, they point out, while lower prices given to the millers' own farms helps make them more economical. Feed, claimed a producer, has gone up nearly 25% "since Christmas".

But some independents believe that especially the big miller-owned farms run at a loss absorbed by the profit made on feed.

3-eggs
Sun Times Bus.
12/8/79
moves to head

Time for

Gedurende die eerste nege jaar van sy bestaan het die Sentrum vir Intergroepstudies gereeld 'n jaerverslag oor sy werksaamhede gepubliseer. Om die Sentrum se 10de verjaarsdag op 1 April 1978 te vier is die jaerverslag in 1977 vervang deur 'n Oorsig oor die eerste Tien Jaar.

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JARVERSLAG
1978

New body joins egg price war

ster 30/8/79

3-eggs

Pretoria Bureau

A new front was opened in the egg battle yesterday with the formation of the South African Independent Egg Producers Association.

Members are independent egg farmers, who feel threatened by the price war waged by South

Africa's two largest feed producers, who are selling one million cases of surplus eggs on the export market, representing R10 million in feed sales.

The meeting, passed a unanimous motion of no confidence in the members of the Egg Control Board of whom a majority

were, in fact, representing the feed companies and not the egg industry.

Strong representations will be made to the Board of Trade and Industries, which has been instructed by the Minister of Trade and Commerce to probe monopolistic conditions in the poultry industry. Mr Ian Bartlett was elected chairman, and Mr Colin Jacobson was elected secretary of the association.

Meanwhile independent egg producers cannot buy additional supplies from the Egg Board although the board has a surplus and is exporting eggs in powdered form at a loss.

The price war has pushed up the demand for eggs and independent suppliers were told by the Minister of Agriculture, Mr Schoeman, that they could buy from the Egg Board.

The Egg Board has refused to sell them more than their "official" quota despite the surplus.

"The Egg Board is sending cases of surplus eggs to the Cape where they will be broken and powdered and exported at 20c a dozen," said Mr Neil Malan, an independent who supplies the supermarket chain.

"If we were allowed to buy the eggs up here we would buy them at 54c a dozen," he added.

Marketing experts believe that only the major producers will be able to weather the price war.

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3 Eggs
Quit
egg
men
told
DD
21/8/79

JOHANNESBURG — A call for the resignation of top officials of the Egg Control Board was made yesterday by 100 egg producers who united to form the South African Independent Egg Producers (SAIEP).

In a memorandum sent to the Minister of Agriculture, Mr Hendrik Schoeman, they accused the Egg Control Board of "ruining" the industry.

The formation of SAIEP follows an egg price war — started earlier this week — which the independents fear will lead them to bankruptcy.

"The latest price war initiated by Nepco, which is controlled by Tiger Oats and Premier Milling, is having the effect of forcing the smaller farmer out of business," SAIEP said in the memorandum.

Meanwhile, the Housewives League has sent an urgent message to the Minister appealing for a fixed minimum price on eggs to protect the independents.

The price war began when OK Bazaars announced a 10c cut in the price of a dozen large eggs bringing them to 52c in an effort to reduce the country's vast egg surplus.

Both Checkers and Pick n Pay followed by undercutting OK Bazaars and selling at 49c.

Worried independents — who blame Nepco for the surplus — say the present price war is losing them thousands.

The Board of Trade and Industry is presently conducting an investigation into the poultry industry, under the Monopolistic Conditions Act.

At SAIEP's inaugural meeting a call was made for the resignation of top officials of the egg board "because so many of the board's members are employees or associates of the feed millers and not the industry".

Other allegations SAIEP brought before the Minister were:

"The giant milling companies were mainly in the animal feed business which represented about R10 million in turnover and thus from their point of view the reduction of the egg surplus must be weighed up against the prospect of losing feed

gedurende die eerste negte jaar van sy bestaan het die Sentrum vir Intergroepstudies gereeld 'n jaarverslag oor sy werksaamhede gepubliseer. Om die Sentrum se 10de verjaarsdag op 1 April 1978 te vier is die jaarverslag in 1977 vervang deur 'n Oorsig oor die Eerste Tien Jaar.

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The export of surpluses was being subsidised by the South African housewife.

The blanket permits introduced last year had failed to significantly reduce the surplus. Under the blanket permit system it was impossible for the egg board inspectors to accurately count the vast number of laying hens owned by the milling companies. — DDR.

3 egg 20/19/79
Egg price

drop —

Nepco aims queried

The Consumers Council today criticised the announcement by the National Egg Producers' Co-operative that it was cutting the price of eggs by 5c a dozen — and raised questions about the accuracy of previous statements by Nepco.

Council PRO Mr. Mike Hawkins said Nepco had announced an 8c a dozen increase in the price of eggs in May, despite a surplus of millions of eggs.

The increase was not allowed, Mr. Hawkins said, and in June Nepco's chairman warned that 600 egg producers faced bankruptcy if the increase was not granted, quoting figures to show that producers were losing 6.5 cents on every dozen eggs.

Again no increase was allowed.

"And now Nepco has voluntarily reduced the price of eggs by five cents per dozen," Mr. Hawkins said. "One must ask why. If their earlier figures were correct, egg producers will now lose 11.5c on every dozen eggs and, logically, will go into bankruptcy twice as fast."

Mr. Hawkins said either the earlier production cost figures given by Nepco were incorrect, whether deliberately or otherwise, or else it suited those in control of Nepco if the majority of egg producers went out of production.

Egg price to drop further

Argus
3 eggs
21/9/79

THE price of eggs will drop further in Cape Town shops next week as a price war between the National Egg Producers' Co-operative (Nepco) and a supermarket chain backing independent producers in the Western Cape intensifies.

A spokesman for Pick 'n Pay said today that the firm's price, which fell from 58c a dozen to 52c a dozen for large eggs this week, would come down to below 50c next week in response to Nepco's reduction of 5c a dozen in the wholesale price.

Pick 'n Pay, which was opposed to the formation of Nepco last year because it feared the co-operative would acquire a monopoly of egg production in this country, deals only with independent producers in the Western Cape and Natal.

But it buys from Nepco in the Transvaal, where it cannot obtain sufficient supplies from independent producers.

The egg price war was started in the Transvaal by OK Bazaars and has spread to other parts of the country.

At first Nepco gave no reduction to the supermarkets taking part, but it has now announced a reduction of 5c a dozen in the Western Cape. It has not reduced its price in other parts of the country.

The general manager of Nepco, Mr Johan Kets, said today that this was because the egg surplus was particularly serious in the Western Cape and Nepco had lost some of its share of the market here and was trying to recover it.

The South African Co-ordinating Consumer Council has criticised Nepco for its inconsistency in reducing the wholesale price after twice unsuccessfully asking the Minister of Agriculture, Mr Hendrik Schoeman, to allow a rise of 8c a dozen.

3 EGGS

**Egg price STAR
fall restricted** 22/9/76

The National Egg Producer's Co-operative, Nepeco, is cutting egg prices only in the Western Cape and not throughout the country as reported earlier this week.

Nepeco's general manager, Mr. Johan Kets, said yesterday a radio report on Monday quoted him as saying Nepeco was dropping the price of its eggs by 5c a dozen on a national scale. This was incorrect.

3-Eggs

19/10/79

Hard-headed board hits egg industry

OVER-PRODUCTION in the egg industry and failure to cut the surplus — exported at a consumer-finance loss — spotlights just how pointless and counter-productive agricultural control boards can be.

The damage to the industry by the Egg Control Board is most evident in its inability to reduce the number of laying hens or, rather, its refusal to take effective measures to achieve this.

ger Oats and Premier Milling, through their usually controlled co-operative, Nepco, is determined to perpetuate overproduction.

About 98% of the surplus is delivered by Nepco to the board for export at a price less than that paid to the co-operative.

To finance the loss thus incurred, a levy is applied at retail to eggs sold locally, for which the consumer pays.

When Nepco tried recently to force all egg farmers to join them and push up the price, Agricultural Minister Hendrik Schoeman instead instructed all producers to reduce the surplus by culling a percentage of hens.

This resulted in independent farmers simply handing over their old-established markets to Nepco.

To add insult to injury, the surplus has risen supposedly because some major producers have failed to cull.

Even more startling is the Minister's legal impotence to overcome the seeming hijack of the industry by two conglomerates in the business primarily to secure for themselves sales outlets for their feed production.

Ignoring pleas from Ministerial emissary Agricultural Economics and Marketing deputy secretary Fanie Alberts for a scrapping of blanket permits, the board's production control committee two weeks ago voted to retain them.

Mr Schoeman has been flooded with appeals to dissolve the board but such is his impotence, it seems, that only the State President can help him.

Moreover, the apparently omnipotent board could challenge such an action in court. The Minister is naturally reluctant to involve the President.

All Mr Schoeman can do now is implore the board to adopt controls to make production cutbacks more effective.

Since the board's ruling clique has already partly ignored his demand for a production cutback by the October deadline and call for mutually agreeable production control methods, it seems unlikely to pay much heed.

(assume there are no other items causing farming differences)

Truce called to topple the egg 'mountain'

3 eggs
4/10/79
M.M.

Agricultural Correspondent

THE country's egg industry will collapse within three months unless the massive surplus can be cut, the chairman of the National Egg Producers' Co-operative, Mr. Eric Karisen, warned in Durban yesterday.

He was speaking at a "truce meeting" called between independent operators and Nepco members to discuss ways of reducing the "egg mountain".

They decided to form a committee to run a management scheme for the surplus in Natal, and to rigidly control production.

The meeting was told that one of the reasons for the surplus was the collapse of exports.

The Egg Control Board was forced to buy surplus eggs at very low prices. Farmers said they were going broke because feed bills were higher than incomes.

Dangerous

Another reason for the surplus was that producers had been unable to get reasonable prices for the hens they culled and the market was flooded with poultry.

The meeting was told that in spite of efforts by producers to cut back on their flocks the surplus was still dangerously high and unless 113 000 Natal hens were disposed of the position would become critical within three months.

Meanwhile, Sapa reports from Pretoria that the Consumer Council released a statement yesterday saying that the call by independent egg producers for the immediate resignation of members of the Egg Control Board was an indication of the grave circumstances prevailing within the industry.

The director of the council, Mr. Johann Verheem, said an intensive investigation had highlighted a distressing state of affairs with the industry under the dominance of a few major companies.

The number of independent egg producers had continually declined since those companies began producing eggs in the past five or six years.

"An even more distressing aspect has been the apparent reluctance of the major companies to compete with one another in the egg market place."

Mr. Verheem said their various brand names were promoted and well known to all consumers and he was forced to wonder whether there was free enterprise in their other areas of operation.

"Developments in the egg and animal feed industries have led to a full-scale governmental inquiry. One wonders if similar investigations in other areas are not being considered in the long-term interest of consumers and those industries," Mr. Verheem said.

● See Editorial Opinion.

ONION RINGS

Peel and slice large onions, and separate the rings. Heat a pan with oil. Dip the rings in milk and then coat with flour, and fry till brown in the hot oil. Drain the oil off on a paper towel, and season with salt and pepper.

May Bennett, Ridgeworth

123

---o0o---

1/2 t salt
a little mixed peel finely cut

1 cup currants
3 beaten eggs
1/4 t ground spice

Mix all ingredients together well. Tie in a pudding cloth, and boil for three hours. Serve with hot nutmeg sauce. This recipe was used for Christmas dinner in 1916 by my mother and gran, who says "we used 1 cup of flour and 1 cup of stale breadcrumbs instead of 2 cups of flour. Very successful".

---o0o---

MUTTON, ROAST SHOULDER OF 1900

shoulder of mutton
dripping
salt
flour

Put the joint to a bright clear fire, floured well. Baste contin-

'Big three' face eggmen's wrath

By GERALD REILLY
Pretoria Bureau

FURTHER talks to sort out the egg muddle — this time with the small producers — are to be held in Pretoria next week, the Minister of Agriculture, Mr Hendrik Schoeman, said yesterday.

And he warned that ways must be found to protect the "small man", who was in danger of being squeezed out by the three big egg producers.

Mr Schoeman said there was a danger of the major producers developing a monopoly, and this was being investigated.

The Egg Board had also intensified its policing activities to ensure that hen quotas were being adhered to.

But according to figures given at last week's meeting of the Transvaal Agricultural Union's poultry committee, the

number of hens — according to the number of permits — had been cut by 17%, but egg production had only declined by 3%.

Delegates said it was difficult to believe that the production of hens had increased by 14%, and claimed the hen culling operation was being ignored by most producers.

The chairman of the South African Independent Egg Producers Association, Mr Ian Bartlett, confirmed that small producers were being squeezed out by the mass production from three major feed companies — Premier Milling, Tiger Oats, and Tongaat Sugar Company.

In spite of a price of only 13c a kg — far below production costs — production had not declined.

Mr Bartlett said the "big three" were moving towards an

egg monopoly where the small producer would have to sell out, as some already had.

For the small poultry farmer to survive, prices would have to be raised, land bank loans would have to be made available, and the activities of the three companies curbed.

Mr Bartlett said that while prices were so low, farmers had to take more credit from the feed companies — virtually the only source of credit available to the small operator — "and this only plays into the hands of the companies", he said.

Sapa reports from Johannesburg that the National Egg Producers' Co-operative, Nepco, is to ask its members to approve a measure to limit the voting power of large groups in the organisation.

Nepco's chairman, Mr A E Karlson, said yesterday the

new Nepco Board had decided to recommend to its members at a special general meeting that the Registrar of Co-operative Societies be asked to amend Nepco's constitution to provide for:

- One vote in each province for each producer-member active in that province, irrespective of the number of laying hens under his control, and
- The removal of all entrenched representation on the board so that it may be freely elected by all members at a general meeting on the basis of one producer, one vote

Mr Karlson, an independent producer, said allegations that Nepco was controlled by the large groups were founded in the voting strengths these groups had had.

This had increased with the number of resignations recently accepted by the board.

2. Show how the tax charge will be affected by the existence of an extraordinary gain on disposal of a division of the company, amounting to R70 000, all of which was taxable, in the 19.7 financial year, assuming

a) deferral method

b) liability method

(assume there are no other items causing timing differences)

3. How will the answer to 2. be affected by the existence of an extraordinary gain on disposal of a division of the company, amounting to R70 000, all of which was taxable, in the 19.7 financial year?

4. How does the answer to 3. change if the R70 000 is now a deductible loss, which can be set off against the taxable income from other sources of R50 000? Draw up the income statement assuming the deferral method is used.

5. Further to Note 4, assume now that the company has a set profit before depreciation of R60 000 in 19.8.

Draw up the income statement for the 19.8 financial year under a) liability method

b) deferral method

Assume the tax rate remains 42%

(3)
(3)
KDM
10/10/79

Independent egg men to get a better deal from Nepco

BY VITA PALESTRANT
Consumer Mail

THE National Egg Producer Co-operative, initiated by the giant milling companies last year, has made major changes to give their independent egg-producing members a better deal.

In a Press release issued yesterday, the chairman of the co-operative, Mr A Karlsen, announced changes which will give independent egg producers within Nepco stronger representation on the board as well as a more equitable form of payment.

Nepco, which is responsible for 98% of the Egg Control Board's surplus, has been accused by its critics of throwing the entire industry into turmoil.

Mr Karlsen announced that each Nepco member will in future have one vote irrespective of his number of laying hens.

He said allegations that Nepco was controlled by the milling companies in the past lay in their previous voting strength.

Another major change will be in its system of payment.

Previously, all members were paid on a nationally pooled system which led to dissatisfaction on the part of independents.

All producers were paid the same amount whether they had sold their eggs to a viable market at good prices or to the Egg Control Board at a loss.

Since its creation a year ago,

16 of its independent egg producers have withdrawn from the co-operative.

The co-operative has 140 members of which 75 are independent with no ties to the milling companies.

The new system of payment — still pooled — will now be made on a fairer regional basis.

This is because the surpluses tend to be located in specific areas.

It will have a two-fold effect. It will mean that those areas that are not affected by the surplus will be better paid, while areas that are overproducing will pay the penalty for their own inefficiency by earning the lower Egg Board prices for their surpluses.

Mr Ian Barlet, chairman of South African Independent Egg Producers, welcomed the changes, but with certain reservations: "There is a lot of merit in these changes. If each area is to cut down on its surplus and balance supply and demand and adjust prices accordingly it will improve the industry as a whole".

But he added: "The surplus problem will only be properly solved when the milling companies withdraw from egg production.

"They look at the industry in an entirely different way to the ordinary egg producer. They need to ensure outlets for their poultry feed and as long as they have that objective in mind we will have a surplus."

1. What is the balance on deferred tax account in respect of the plant at 31.12.19.7, assuming
 - a) deferral method
 - b) liability method?
2. Show how the tax charge will be disclosed in the income statement for the year ended 31 December 19.7, assuming
 - a) deferral method
 - b) liability method(assume there are no other items causing timing differences)
3. How will the answer to 2. be affected by the existence of an extraordinary gain on disposal of a division of the company, amounting to R70 000, all of which was taxable, in the 19.7 financial year?
4. How does the answer to 3. change if the R70 000 is now a deductible loss, which can be set off against the taxable income from other sources of R50 000? Draw up the income statement assuming the deferral method is used.
5. Further to Note 4, assume now that the company has a set profit before depreciation of R60 000 in 19.8.

Draw up the income statement for the 19.8 financial year under

- a) liability method
- b) deferral method

Assume the tax rate remains 42%

NOW — A R1,3M

EGG FIASCO

Nepco calls back cash
from producers as it
slips deep into red

By JEAN LE MAY

NEPCO, the high-powered cartel that tried to corner South Africa's egg market and shove up the price of eggs by 8c a dozen, is deep in the red after nine months of operations — and is now claiming back thousands of rands from producers who were paid too much in anticipation of good profits.

Between October last year, when the cartel was initiated by the giant milling companies, and June this year, the National Egg Producers' Co-Operative made a loss of R1,3-million.

Members who have resigned from the group are being faced with shock demands to pay back as much as R10 000 to make good this loss. And those producers who have remained members will have the losses offset against future advances.

But the problems of the giant cartel, which has had a stormy existence right from its much-criticised birth, are far from over.

Many producers who are facing demands for repayment of the losses are taking legal advice about contesting the claim.

And others who are still members of the cartel are threatening to resign because of the organisation's financial performance in the first nine months.

Blame for the cartel's over-enthusiastic assessment of projected profits has been laid at the door of the milling companies by former members.

The Sunday Express was told that these companies offered their "financial expertise" in calculating projections of sales. The prices paid to producers were based on these projections.

One of the big criticisms of Nepco in the past was that it paid its members considerably more than the floor price of the Egg Board for surplus eggs — thus encouraging them to add to the massive and costly egg surplus while at the same time demanding a huge increase in the wholesale price of eggs.

Mr Johan Kets, general manager of Nepco confirmed to me this week that Nepco had a deficit of R1 356 984 for its financial year that ended on June 30 this year, and that it had written to former members demanding repayment of a proportion of the money paid to them for eggs delivered.

This was the only way the money could be recovered from them, he said.

He confirmed that Nepco had received lawyers' letters concerning the demands. Egg producers who were still members would have the amounts due by them offset against future advances, he added.

Mr Kets said the deficit was caused by Nepco paying members too much for eggs they delivered to the Co-operative. The accounting system had

3 eggs

2/45

R1,3-m egg fiasco hits small men

From Page 1

since been changed, he added.

Mr Monty Schormann, a Nepco member who has recently resigned from the co-operative's board, told the Sunday Express that when Nepco was formed last year on the initiative of the milling companies, these companies offered their "financial expertise" in calculating projections of sales. The prices paid to members were based on those projections.

When the board realised

Nepco was operating on a deficit, it changed its accounting system to the conventional "pool" system normally used by co-operatives instead of basing payments on projected profits, he said.

Another problem was that Nepco was faced with a much larger surplus than had been projected and that more eggs had therefore been sold to the Egg Control Board than had been anticipated.

Since prices paid by the Egg Board were lower than those projected, this involved further deficits.

The Sunday Express understands that the Registrar of Co-Operatives has given his approval to Nepco recovering the money from members and accepts that the deficit was due to "teething troubles".

The projected quarterly profit and loss statement shown to prospective members at the first inaugural meeting of Nepco on September 11 last year reveals that Nepco anticipated a profit of R748 000 for the first trading period starting in October, 1978.

In the document distributed at the time it was said "calculations show that by ensuring a stable industry and market, the Co-operative would trade with good profits . . . The trading profits the Co-operative is expected to make will further enhance the earning capacity of each member".

The Sunday Express is reliably informed that many egg producers are considering resigning from Nepco because they are dissatisfied with the trading results shown last year.

A former member, Mr R C Hawson, who resigned in March, showed the Sunday Express a letter he received from Nepco saying that the members' pool account had shown a deficit

balance of R1 356 984 for the financial year ending June 30.

The board had decided in terms of Regulations 92 and 94 "to recover the above deficit being amounts overpaid and now owing from past and present members on a proportionate basis based on the deliveries made during the preceding period".

The amount due by Mr Hawson to the co-operative was R10 172,61, said the letter, of which R687,30 standing to his credit in the members' levy fund would be set off "against the sum owing by you as part payment".

The nett amount owing was thus R9 485,31, and "we look forward to receiving payment thereof within ten days", the letter concluded.

Another former member, who asked not to be named, criticised Nepco's high administrative expenses, shown in the profit and loss account as R666 859.

"There is no need for the co-operative to have plush offices with wall-to-wall carpeting," he said.

Mr Eric Karlsen, chairman of Nepco, refused to comment on the Nepco deficit.

The Sunday Express was unable to reach spokesmen for the milling companies.

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HOT BUTTERSCOTCH SAUCE

1 T syrup
2 T brown sugar
squeeze lemon juice

Mary Shelling, Ridgeworth

1/2 oz butter/margarine
1/2 pt warm water
1 d custard powder mixed with
1 T water

Put butter, sugar, syrup into a pan and cook to a rich brown toffee, draw aside, add water carefully, then the lemon juice. Boil up sauce and pour onto custard powder, reboil till mixture thickens. Serve hot with ice-cream.

TOMATO SAUCE

4 tomatoes
4 sliced onions
4 t sugar
8 level t maizena

Sharon Young, Rondebosch

salt and pepper
4 small carrots - grated
1/2 pt boiling water
4 T cold water

1. Wash and cut tomatoes into rough pieces.
2. Put tomatoes, onions, carrots into a saucepan with water and seasoning; boil until soft.
3. Sieve, add maizena, blend and boil again.

BARBECUE SAUCE

2 onions, chopped fine
2 T vinegar
2 T worcester sauce
1 T salt

Peggy Brown, Halseton

3/4 cup water
1/4 t pepper
1 t chilli powder
3/4 cup tomato sauce

Mix all ingredients together. Simmer for 45 minutes.

SHERRY SAUCE (For Steamed Puddings)

Warm sherry (1/4 pt) and add 2 egg yolks and whisk in a basin over a pot of nearly boiling water until thick and frothy. Serve at once, adding sugar to taste.

K.M.V. Paarl

SAUCE WITH WHITE WINE

1 cup hot cream
1/4 cup dry white wine
3 T butter

K.M.V. Paarl

Melt butter in saucepan. Add flour; cook till brown. Beat in cream and wine. Whip very well. Boil for 5 minutes. Add salt and peppe to taste and chopped parsley.

BRANDY SAUCE (For Steamed Puddings)

Make a white sauce with
add 1/2 oz sugar and 2

HOT CHOCOLATE SHERRY SAUCE (For Ice-Cream)

1 1/2 cups sugar
3 T butter
4 oz chocolate (melted)

Mix sugar, butter, chocolate dissolved. Heat and boil in sherry and vanilla. until ready to serve.

HOT HONEY AND VAN DER HUI (For Ice-Cream)

2 T honey
1/4 cup van der Hum

A. James 11/11/79 (3) EGGS

What needs to be done about sorting out the egg industry

By DONALD ANDREW and STEPHEN ORPEN

BY THE TIME the Board of Trade and Industries reports on monopolistic conditions in the poultry industry and in the supply of chicken feed, and appropriate action is taken, many independent egg farmers believe it will be too late to save them from ruin.

At the same time, the major egg producers, who are also the major chicken feed producers, are privately expressing serious concern about the state of disarray in the egg business.

Whether or not it is true that consumers and others have finally turned against the majors — whom they see as having precipitated current conditions — it seems that neither the majors nor the independents can win under present circumstances.

Recent weeks have brought a flood of accusatory reports and even the Minister of Agriculture seems powerless to act effectively to solve the problems.

So what's to be done?

The answer is not overly complex IF one accepts certain assumptions like:

- The national interest means consumers are as important as farmers.
- The fundamental problem is persistent overproduction (supply exceeding demand), creating surpluses exported by the Egg Control Board (ECB) at a loss financed by consumers at a present rate of 4c a dozen eggs.
- Consumers subsidise overproduction.
- The special levy on eggs acts as a disincentive to consumers to buy them, thus prejudicing those farmers with viable markets.
- The ECB exists because a surplus is produced. It can be argued that the very existence of the ECB indirectly invites surpluses or, at least, encourages production regardless of demand. The ECB directs more effort into buying surpluses than it does in reducing them to demand levels.
- Egg production is ideally not a capital-intensive industry, suited to the majors. It is better handled by smaller, local businesses.
- Forcing producers to cut back production (culling laying flocks) by an across-the-board percentage has been fraught with problems and — it is claimed — can have a more severe impact on smaller producers.

Some suggested solutions are:

- On a sliding scale, the larger the production permit, the larger should be the percentage by which producers should have to cut back in the case of surpluses. This would protect the small farmer, for whom it is not viable to operate below a certain flock size.
- Cutbacks should be applicable only to producers selling to the ECB and according to the size of the surplus delivered. The bigger the surplus, the bigger the cutback. This would be an incentive not to produce more than the market demanded.
- The floor price (the price the ECB pays) should be low enough to act as an incentive for producers to cut back.
- Ideally, the floor price should not be higher than the export price. This would mean the levy could be scrapped or substantially reduced — theoretically increasing retail sales (with a lower price as a stimulus) to, in turn, reduce the surplus.
- Supply and demand should be more free to dictate prices. When the farmer has a surplus he can reduce his price to stimulate demand and later recoup profits with a higher price when supply is short.
- Farmers should be allowed to form competing regional marketing co-operatives — but only on condition membership remains voluntary. One region could sell into another, but not draw supplies from another region nor sell through a competing co-operative.
- Co-operatives should form one exporting body if supply cannot be trimmed to meet demand and also to investigate promoting profitable exporting.
- ECB control, benefits and protection should be voluntary.

HONEY CAKE

- 1 cup flour
- 4 t baking powder
- 2 T butter
- 1 egg
- 1 1/4 cup sugar
- 1 1/4 t salt
- 1 1/4 cup milk

Sift dry ingredients. Heat milk and butter until melted. Beat egg and butter. Mix with dry ingredients and buttered fairly deep pie dish approximately 20 minutes at 350°F or 180°C.

Melt honey and 1 1/2 tablespoons butter and pour over hot cake before serving. Serve with whipped cream.

NUT CAKE

- 4 eggs
- 1/4 lb sugar
- 1/4 lb ground almonds (or hazelnuts)
- 1/2 t baking powder
- 1/2 T flour
- 1/4 grated lemon (skin & lemon)

Beat yolks with sugar until creamy, then add nuts, flour, baking powder and lemon. Fold in stiffly-beaten egg-whites. Bake at 350°F for 1/2 hour. Serve with whipped cream.

Jan

if it is too thick. Chill in a large bowl. Before serving pour on sour cream and sprinkle with chopped chives.

Throwing eggs that the hungry need

(13) eggs. C. Jones

From Canon R T BARKER
(St George's Cathedral,
Cape Town):

THE front-page report (November 10) of what was called let's-help-out-the-Egg-Control-Board sport - long-distance egg-throwing - was very disturbing. Presumably some publicity person has thought up this awful gimmick to lessen the egg surplus. The stunt in which respected Western Province cricketers took part was bad enough but the thought of a "world championship" next Saturday is nothing short of scandalous.

If the Egg Board has a surplus with which it doesn't know what to do I would be happy to direct its attention to hospitals where children are dying from diseases caused by malnutrition and to families who have empty pantries. I am sure that the Peninsula School Feeding Association wouldn't find it difficult to help also.

To throw food away in this manner while people go hungry or starve is irresponsible beyond words. I hope that the protest will be loud and long and that the "world championships" will turn into a let's-help-out-the-hungry-families endeavour.

It is no answer to say that the proceeds from such an event will be donated to a home for underprivileged children. There are hundreds of ordinary homes at the moment where an egg or two would make all the difference.

I very much hope that this "sport" will not take place; it is culpable wastage in the face of great need.

- 2 1/2 litres water
- salt & pepper to taste

Wash beans, cover with water, bring to Boil for 2 minutes. Remove from heat for 1 hour. Bring to boil again, add ingredients. Simmer till beans are Remove meat and 1 cup beans. Purée soup in blender. Heat slowly. Put beans in each serving bowl. Sprinkle with sauce. Cover with soup. Garnish with crumbled bacon or croûtons.

PRESERVED BRINJALS

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

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

Sue J

Margaret

③ EGGS

CRACK-UP—EGG PRICES MAY DROP

Argus
8/12/79

By Keith Kiewiet

THE giant National Egg Producer's Co-operative (Nepco) which for 18 months has dominated South Africa's retail egg market, is likely to crack up soon because one of the major partners is pulling out. Retailers hope this could also lead to lower prices.

Mr Tony Bloom of the Premier Milling Company, one of three member companies of the co-operative, said his company was pulling out of Nepco because 'we feel we can market on a more efficient basis in a free market situation.'

The remaining members of Nepco are Tiger Oats and the Tongaat group of companies.

The news of Premier's withdrawal has been described by Pick 'n Pay's managing director, Mr Raymond Ackerman as 'an extremely positive step that could result in lower egg prices.'

Current prices for eggs in Cape Town are 46 cents a dozen for large eggs, 48 cents for extra large and 56 cents for 'jumbo.'

COMPETITION

This view is shared by OK Bazaar's director, Mr Ralph Horwitz, who said Nepco would 'definitely crack up' as a result.

Mr Horwitz said there was every reason to believe the price of eggs could drop when competition was reintroduced to the market by the break-up of the virtual monopoly.

The chairman of Nepco, Mr A E Karlson, said, however, he viewed the break-away as 'nothing serious' and he certainly did not think it would be the end of the co-operative.

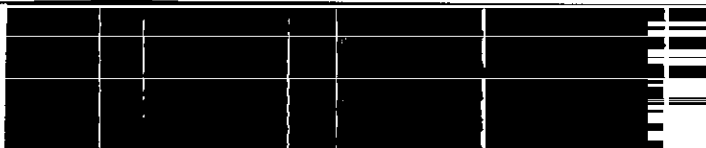
'It is just an ordinary resignation,' he said.

Mr Ackerman said the break-up of Nepco was the 'best news in ages' as far as the retail sale of eggs was concerned.

PLAY OFF

'Now, for the first time in 18 months, eggs will be subject to normal open market pressures and we will be able to play off one distributor against the other and so get lower prices.'

The withdrawal of Premier from Nepco becomes effective only in March.



Egg price war is on the cards

*A. J. J. 9/12/74
Luff*

ss. 335-337

STATUTES

By KEVIN STOCKS

35-337

- (c) the majority company has
- (d) its registration in accordance
- (e) it has lodged under Chapter IV and paid all fees
- (f) it has complied with the necessary

the State President may by shall, subject to compliance from the date of termination concerned, to be a company

(3) The Registrar shall and incorporation in the form of a company in the manner as provided in Chapter IV of this Act of an external company under section 335

(4) Upon such registration issue to such company under section 335 has taken place at the date of registration under the Act.

(5) If at the date of the cause of action, arbitration or proceedings in favour of the external company are prejudicially affected by the Act and enforced by, against or in favour of the company, and not taken place but not further

(6) All contracts, agreements affecting the external company entered into on or after that date be as binding and of full force against or in favour of the company and may be enforced by, against or in favour of the company as fully and effectually as if the external company had at all material times been incorporated under this Act.

(7) All books, registers and documents which if such registration had not taken place would have been evidence in respect of any matter for or against the external company shall on and after the date of such registration be admitted in evidence in respect of the same or a like matter for or against the company.

336. Application of this Chapter to foreign companies under repealed Act.—As from the commencement of this Act the provisions of this Chapter, excluding the registration required under section 322, shall apply to external companies which prior to the said commencement complied with section 201 of the repealed Act, and such companies shall be deemed to have complied with section 322 of this Act and their memorandums shall be deemed to have been registered under the last-mentioned section.

CHAPTER XIV

WINDING-UP OF COMPANIES

General

337. Definitions.—In this Chapter, unless the context otherwise indicates—

THERE'S a possibility of another egg price war.

This could result from the resignation of the giant Premier Milling Group from the controversial National Egg Producers' Co-operative (Nepeco) — the marketing cartel that controls much of South Africa's egg production.

The resignation takes effect in July.

A renewed price war is possible, but not immediately. In fact, wholesale egg prices in the Transvaal will rise by four cents a dozen to 61c later this month. Retail prices will probably increase by five cents a dozen.

The resignation could also — and this is Premier Milling's hope — lead to a realignment of production and marketing forces and to a more rationally controlled egg industry.

A price war in 1977 caused disastrous losses to producers and was only halted when the three big milling companies, Premier Milling, Tiger Milling and the Tongaat group (who between them control about 50 per cent of South Africa's egg production) took the lead in organising Nepeco.

The cartel successfully ended the price war, but has lived with controversy ever since.

It was accused of artificially keeping the price of eggs high and of being responsible for the continuing egg surplus.

under this section, that the foreign country concerned will, upon the coming into force of section IV of this Act, be terminated in that country; documents necessary for registration under section 335 may require, and that it has complied with the provisions of this Act or any other Act; and documents as the Registrar may deem

to declare that such external company under section (3), be deemed, with effect from the date of incorporation in the foreign country under section IV of this Act.

of termination of its registration under section 335 or any other registration in respect of such company shall be subject to the applicable provisions of this Act in respect of the termination of the registration in respect of the

of an external company the Registrar shall be deemed to the effect that such registration of an external company has been incorporated

arbitration or proceeding or any other proceedings or existing by or against or in favour of the company may be discontinued or be in any way prejudicially affected by the Act and may be continued, prosecuted or enforced by, against or in favour of the company as if such registration had

leases, and other instruments affecting the external company entered into on or after that date be as binding and of full force against or in favour of the company and may be enforced by, against or in favour of the company as fully and effectually as if the external company had at all material times been incorporated under this Act.

Egg boss who quit still gets R27 000

S. EXPRESS 9/12/79

3 EGGS

By JEAN LE MAY

EGG Control Board chairman and first chairman of Nepco, Marinus Oosthuizen, resigned in June but is still receiving an honorarium of R27 000 a year.

The Sunday Express understands the payments, reviewable every three months, are being kept up while Mr Oosthuizen continues to give professional advice as a director.

Mr Peter Wrighton, managing director of Premier Milling and vice-chairman of Nepco, confirmed to the Sunday Express this week that the honorarium — which works out at R2 250 a month — had been proposed at the annual general meeting by Mr Eric Karlsen, present chairman of Nepco, and approved by members.

Nepco, the giant egg cartel controlled by the milling companies, made a loss of R1,3-million in its first nine months of operations instead of a projected profit of R748 000.

Mr Oosthuizen, who retired last year as chairman of Steibro, the egg division of Tiger Oats, was elected Nepco's first chairman when the co-operative was formed in September last year.

He resigned in June this year soon after a Sunday Express expose of interlocking directorships between Nepco, the Egg Control Board, and egg producers owned by the milling companies.

Mr Karlsen, former vice-chairman, became chairman of Nepco in his place and Mr Wrighton vice-chairman.

Asked to comment on the R27 000 voted to Mr Oosthuizen, Mr Karlsen said: "The honorarium was approved by Nepco members at the annual general meeting and is no concern of the newspapers."

The Registrar of Co-Operatives, Mr G du Toit, told the Sunday Express that members of a co-operative were entitled to remunerate directors by a vote approved at an annual general meeting.

Mr Inus van Rooyen, head of the co-operative section of the South African Agricultural Union, said a co-operative could remunerate its directors in three ways — by means of a daily allowance of R25 for directors and R30 for chairmen, by means of special ad hoc payments voted by the board

for special professional services, and through a vote approved by an annual general meeting.

It was not the policy of the SAAU to recommend a full-time chairman as well as a general manager for co-operatives as "this seldom worked out", he said. However, although he was consulted at the formation of Nepco, the SAAU advice was not heeded and Mr Oosthuizen was appointed chairman in addition to a general manager.

Nepco members who resigned at the end of the last

financial year — the only time they can do so in terms of Nepco regulations — expressed indignation when asked to comment by the Sunday Express, since they are being faced by shock demands to pay back as much as R10 000 to make good the R1,3-million loss sustained by Nepco.

Mr R C Hawson, who received a lawyers' letter demanding repayment of more than R9 000 to Nepco, told the Sunday Express he and a number of other former Nepco members were taking legal advice on the demands.

Mr Oosthuizen was not available for comment, despite frequent attempts to reach him.

Nepco 'could be on the way out'

PREMIER Milling's sudden withdrawal from Nepco, announced this week, probably means the "beginning of the end" of the egg co-operative, Mr Inus van Rooyen, head of the South African Agricultural Union's co-op division, told the Sunday Express yesterday.

Mr Raymond Ackerman, chairman of Pick 'n Pay whose policy is to support independent producers, said Premier Milling's resignation would "definitely cause the collapse of Nepco".

"The Sunday Express is largely responsible for the coming disbandment of the egg cartel," he added.

Mr Eugene Roelofse, South African Council of Churches Ombudsman, said the coming dissolution of Nepco was thanks to adverse publicity "initiated by the Sunday Express".

In addition, it showed up the total inadequacy of the Government in dealing with an urgent consumer problem, he added.

However, Nepco chairman Mr Eric Karlsen saw Premier Milling as "just another member" and did not anticipate that its resignation (effective only on June 30) would make any difference to the co-operative.

Nepco (National Egg Producers' Co-Operative) has been savagely criticised since its in-

ception last year as a cartel controlled by the major egg producing companies owned by the three big milling companies — Premier Milling, Tiger Oats and Tongaat.

Businessmen have attributed Premier Milling's shock resignation to its desire to separate itself from the bad public image of the co-operative and to enormous losses, said to run into millions, sustained in its egg operation.

However Mr Gerhard Scholtemeijer, executive general manager of Premier, denied resignation from Nepco was a first step towards getting out of the egg industry.

Once Premier is out of Nepco, it will not be bound by Nepco's price agreements and will be able to negotiate its own prices.

This was confirmed to the Sunday Express by Mr Tony Bloom, who said that Premier would now adopt a policy of "aggressive marketing."

Announcing Premier's resignation, Mr Bloom said that although the idea of a co-operative was basically a good one too many farmers outside Nepco had "abused the umbrella created by Nepco to the detriment of their fellow farmers and the industry as a whole".

Egg men bid to avert collapse

RD 11/12/74

3 Eggs

DURBAN. — Poultrymen have called nationwide emergency meetings amid fears that the National Egg Producers' Co-operative will collapse after the pull-out by the giant Premier Milling Company.

It is being forecast that the end of Nepco could spark a cut-price egg war, causing chaos in the industry and "killing off" the small producer — unless the Government intervenes.

One retailer forecast yesterday the repercussions could lead to price hikes bringing the cost of eggs to R1 a dozen.

Premier Milling was one of the "big three" behind the egg consortium.

The problem in the troubled R200-million industry stems from the massive egg surplus which has been running at about 18%.

But Nepco's chairman, Mr Erik Karlsen, said yesterday figures for November showed it was down by a quarter, though still a long way from the manageable surplus of about 5%.

And he said Nepco would continue to operate unless members indicated otherwise.

Poultrymen were discussing Nepco at meetings around the country and if members did decide to close the co-op, everyone would be on his own.

But the head of a major retail food chain in Natal, Mr Alan Gardiner, said unless the Minister of Agriculture, Mr

Hendrik Schoeman, intervened, the results of a Nepco disbandment could be disastrous.

The resignation of Premier Milling had shocked Nepco and unsettled members, who feared the collapse of the controversial cooperative would result in a major price war, he said.

Hundreds of small producers would be put out of business and price hikes would follow as the large concerns took control.

"If this happens, the price of eggs could jump from the current price of around 60c a dozen to more than R1."

Mr Gardiner said egg sales totalled R200-million a year, of which R15-million went to the Egg Board through a levy of 4c a dozen.

A surplus was needed to cushion the trading situation when demand rose at the month-end.

He warned: "If this surplus is not reduced to below 10% before the end of January or February, there will be absolute chaos in the egg industry and a lot of producers will go to the wall."

"The Minister must step in now and call a full investigation into the egg industry."

Mr Gardner said an immediate 10% production cutback would plough back R7-million into the industry through savings on losses from exports, and keep the small producer in business. — Sapa.

Eggs may hit R1 as Nepco totters

DURBAN. — Members here of the National Egg Producers' Co-operative fear it is on the verge of collapse, and that this could be followed by a cut-price war. But rises in the egg price to more than R1 a dozen could follow.

Poultrymen, alarmed by the resignation last week of Premier Milling, one of the "big three" behind Nepco, have called emergency meetings countrywide. Many fear the collapse of the industry unless the government intervenes.

The problem in the troubled R200-million industry revolves round a massive egg surplus — about 18 percent. Nepco's chairman, Mr Erik Karlsen, said this week that encouraging figures for November showed this to be down by a quarter, but still a long way from the ideal manageable surplus of about 5 percent.

He said Nepco would continue to operate unless members indicated otherwise. The pulling-out of Premier Milling was "purely a simple resignation of a member of Nepco".

Poultrymen were discussing Nepco at meetings around the country and if members decided to close Nepco, everyone would be on his own. — Sapa

AGRIC. - Eggs

1-1-80 - 31-12-80

The crude death rates and the standardised mortality rates for whites, Asians and 'coloureds' and urban Africans are presented in Fig. 1. The interpretation of these figures is confounded by the differences in the underlying structure of the population. The population pyramids of the various groups were pictured in Part I with the exception of the urban Africans, which appears in Fig. 2. This population shows an excess of healthy working males and lack of elderly persons as a result of the migratory labour situation.

Egg shortage looms in Tvl

Own Correspondent

The Egg Control Board is predicting a possible shortage of eggs in the Transvaal during the next five months after last year's massive egg surplus.

The board says in a report on production and consumption of eggs for 1980 that additional permits for about 175 000 layers will have to be issued to meet demand in the province.

This planned expansion of permits follows the board's enforced cutback on production last year to reduce the surplus when hundreds of thousands of hens were slaughtered.

Demand for eggs has since picked up in the Transvaal and the board predicts a five percent growth in consumption during 1980 — double the growth expected in other regions.

In another move the board is taking legal action against certain producers in the Transvaal who have exceeded their permit allocation. The trials will be held in Pretoria

within the next few months.

The board's actions were condemned today by Mr Mike Hawkins, public relations officer for the Consumer Council, as yet another example of interference with the market mechanism leading to over-supply and then shortages.

"This sort of interference leads to raw deals for both the producers and consumers in the long run and a complete rethink is needed on this sort of interference with the market mechanism," Mr Hawkins said.

The general manager of the Egg Control Board, Dr A H Olivier, was not available for comment today. He was visiting the Cape with other senior board officials.

rural areas or cause of deaths' according to the Bantu Reference Bureau (Personal Communication). At least 50 000 deaths among Africans were not registered. These occur mainly in the rural areas. It is estimated that about 10% of the deaths in the main urban districts are not registered for Africans.

METHODS

The following indices were calculated:

1. Crude Mortality Rates.
2. Standardised Mortality Rates. Two standard populations were used: England and Wales representing a developed population and Mexico 1960 for a developing one.
3. Age and Cause Specific Death Rates. Calculated mainly in five year age groups for the seventeen major divisions of the eighth revision of the International Classification of Diseases (ICD).
4. Proportions of Causes of Death.
5. Infant Mortality Rates.
6. Expectation of Life. Calculated for 1970, the last census year.

Competing Mortality Risks. This is the mortality experience of a population under the hypothetical conditions which would exist if a particular cause of death were eliminated. It gives an indication of the relative effect of that cause on the expectation of life.

Calculation of rates involves a knowledge of the base population age population. No official estimates of this are available for personal years. For whites, Asians and 'coloureds', the 1970 population was projected forward using the age specific survival rates from and taking into account the actual births and deaths in the 0-4 age group. Allowance was made for migration.

For Africans, a different procedure was adopted as a population figure for only part of the country was required. The 1970 age distribution¹⁰ by gross population estimates by economic region.¹¹

These show considerable variation. (See case ref.15). A mean figure and the range are given in Fig. 2. These de facto figures should be interpreted with caution as sick infants are often brought to the cities from rural areas. An indication of the situation in the rural areas is given by a sample survey carried out in Cape Town and Transkei among Xhosa-speaking Africans.¹² An increase in infant mortality was observed with decreasing urbanisation, the figure for the completely rural areas being of the same magnitude as those parts of the world devoid of medical services. Fig. 4 summarises the age specific mortality rates of

Fig. 4 summarises the age specific mortality rates of

Egg prices rise as 'war' ends

(Issue No. 1)

29/1/80
3 eggs

EGG prices have risen in Cape Town since the holiday period, when a price war between the National Egg Producers' Co-operative (Nepeco) and independent producers forced the prices down to between 45c and 46c a dozen for large.

But prices are still below 57c or 58c a dozen for large, the average before the price war.

A spokesman for Pick 'n Pay where large eggs at present cost 52c a dozen, said supplies were still plentiful.

TOWARDS NORMAL

'The price has risen in a return towards normal prices,' he said. 'The price war brought them down to below the cost of production.'

A spokesman for the Egg Control Board said there was a shortage of eggs in the Transvaal, and supplies were being sent there from the Western Cape.

The board said in a report on production and

consumption of eggs for 1980 that additional permits for about 175 000 layers would have to be issued to meet demand in the Transvaal.

EXPANSION

This planned expansion of permits follows the board's enforced cutback on production last year to reduce the surplus when hundreds of thousands of hens were slaughtered.

In another move, the board is taking legal action against certain producers in the Transvaal who have exceeded their permit allocations.

The trials will be held in Pretoria in the next few months.

The board's actions were condemned by Mr Mike Hawkins, public relations officer for the Consumer Council, as yet another example of interference with the market mechanism leading to over-supply and then shortages.

continued on page 591

158. Waiver of requirements of this Chapter void.—Any condition requiring any applicant for shares to waive compliance with any requirements of this Chapter or purporting to affect him with notice of any contract, document or matter not specifically referred to in the prospectus, shall be void.

(2) No statement that, or to the effect that, the said advertisement is not a prospectus shall prevent the operation of this section.

[Para. (g) added by s. 12 (b) of Act No. 111 of 1976.]

(g) the last day for subscribing.

[Para. (f) added by s. 8 of Act No. 76 of 1974 and substituted by s. 12 (c) of Act No. 111 of 1976.]

(iii) the last day on which members or debenture holders must register as such in order to be entitled to receive the offer;

ss. 157-158

STATUTES OF THE REPUBLIC OF SOUTH AFRICA — COMPANIES
Companies Act, No. 61 of 1973

ss. 157-158

Times 31/1/80

Egg price to jump

Staff Reporter

LARGE EGGS will soon retail at close to 70 c a dozen when a 13 c a dozen increase in the wholesale price comes into effect on Monday.

Large eggs have been retailing at below 50 c a dozen in supermarkets in recent months as a result of a price war between independent producers and the National Egg Producers' Co-operative (Nepco).

On Tuesday the chairman of the Boland Egg Producers' Association, Dr Eugene Brock, asked the Minister of Agriculture, Mr Hendrik Schoeman, to allow an increase in the wholesale price of large eggs — from 50 c to 63 c a dozen.

The price rise is effective from Monday.

Mr N Liebov, senior buyer for Cape Town Pick 'n Pay supermarkets, said yesterday that though the rise was justified, it was unfair on the consumer to introduce it all at once.

Mr Liebov added it would be far easier on the consumer if the increase was brought into effect in stages.

Shellshocked

Tribune Reporter

THE insurance company for the ship Pep Ice, which ran aground in the Mozambique Channel last month, will dispute any claim made against it for the cargo of eight million eggs dumped in Durban this week.

Managing Director of P and I Associates in Durban, David Hellberg, said his company was not happy with the actions of the

... that's the Egg Control Board as Pep Ice insurers say: 'We won't pay for dumped eggs'

Egg Control Board and had reserved the right to challenge any claim made to his company.

The dispute arises from the decision of the Port Health authorities to declare the entire cargo unfit for human consumption. The Egg Board subsequently made ar-

rangements for the eggs to be destroyed.

Mr. Hellberg said his company believed the eggs still had some value.

"We do not accept, and we do not agree with all that has been done so far. As far as we are concerned there are a lot of questions to be answered.

"We did not know the eggs were to be condemned until after the certificate was signed. A meeting was held with the health authorities on Monday afternoon and we made it plain then that we did not agree with their decision," he said.

Mr Hellberg said stacks

of good eggs had been left unrefrigerated in the warehouse from Sunday afternoon until they were condemned on Monday.

"Although they were under cover, the warehouse was very hot. They should have been refrigerated after

unloading them from the ship."

He said he had not been shown the certificates condemning the eggs, or the records of the cold storage temperatures during the voyage of the Pep Ice.

"I believe the temperature of the eggs on board the ship was kept constant throughout the voyage, except for two days during the salvage operation," he said.

Mr. Hellberg said there were R750 000 worth of eggs aboard the ship originally. A lot of these were dumped at sea when it ran aground but he believed about R300 000 to R400 000 worth had remained.

"All necessary tests should have been taken to ascertain their quality and potential."

The owner of the Pep Ice, Mr. J. B. Larsen, said he did not know if the temperature of the eggs had fluctuated during the voyage.

"Readings showing date, time and temperature are recorded constantly on a thermogram. This is housed in a sealed cabinet on the bridge of the ship and we will not be able to say if the temperature dropped until these have been checked," he said.

He could not say when the cabinet would be opened.

Dr. Gwendoline Gregerson, deputy regional director for the State Health Department in Durban, said the certificates as to the condition of the eggs had

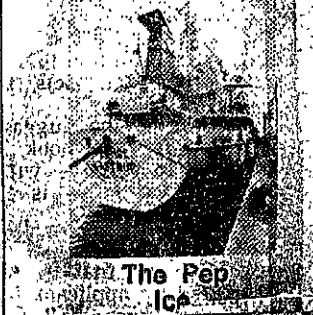
Grazing: Distribution of:

Goats:

10	been signed as a matter of formality.	ts (82,31%)
1	However, she said, these certificates were not available for publication.	fewer,
	She said she had done tests together with members of the Egg Control Board. She said she had seen thousands of eggs from the outside which were certainly not fit for human consumption.	id
S	"A lot had spots of mildew," she said.	
1	"There was no way I could take a chance. As far as I am concerned, the eggs are destroyed and the matter is over," she said.	ap, (92,31%)
	Dr Rob Gouws, associate professor of the Department of Animal and Poultry Science at the University of Natal in Pietermaritzburg, said the method apparently adopted in the case of the Pep Ice — that of taking eggs out of refrigeration and into a humid atmosphere — was conducive to getting mould.	fewer 10, > 15, and
O	"The way the eggs were treated, they would definitely be bad by now," he said on Friday.	ats and sheep'.
!	He said if mould was apparent on the shells of eggs, those eggs would definitely be bad. If this had been the case, a lot without mould would probably also have been bad.	ses, (86,15%) rse each, rses, es,
1	had 4,	
1	had 5 and	
1	had 6 horses.	

③ Eggs

③ Market
about 12/50



Hansard 3 Quest. Col 141/142

20/2/80

141

WEDNESDAY, 20

Eggs

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

- (1) (a) What was the egg production of the Republic in 1978-79 and (b) what number of the (i) production was surplus and (ii) surplus eggs were exported at a loss in that year;
- (2) what was (a) the total amount and (b) the average price per egg obtained for the surplus eggs exported at a loss;
- (3) (a) what was the average price per egg paid in South Africa during the time the surplus eggs were exported and (b) to which countries were eggs exported in 1978-79?

3 (Eggs)

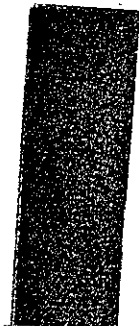
The MINISTER OF AGRICULTURE:

- (1) (a) 251 000 000 dozen
- (b) (i) 38 962 800 dozen
- (ii) 38 962 800 dozen

FEBRUARY 1980

142

- (2) (a) R18 755 908
- (b) 4,01c per egg
- (3) (a) 5,47c per egg
- (b) Mainly Europe and Far East



EGG INDUSTRY In a scramble

3 Eggs
meq/2/80

"The most difficult years in the egg industry since World War 2" — that's how Egg Control Board GM Dr Albertus Olivier describes the last two years. And the industry's troubles aren't over yet.

July last year saw a record surplus of 40m dozen a year, representing 33% of the national consumption. This has now been reduced to a marginally more acceptable level of 25m dozen. The target is 15m dozen, considered to be "a strategic reserve."

Pricing policy has not been consistent. As far as the industry is concerned, current floor price of 27c a dozen is totally unrealistic in terms of farm production costs of 42c.

Production costs are likely to rise sub-

863

stantially this year. Maize is expected to cost 20%-25% more from April 1. It constitutes 80% of poultry feed.

Even more unacceptable to farmers is the parity price of about 9c a dozen paid for surplus eggs purchased in excess of the restricted quota of 25m dozen. As far as the retail price is concerned, it is considered inadequate even with yet another price increase from February 25.

No one is prepared to project future prices at this stage. But there is agreement that Nepco's alleged price fixing ability will be seriously undermined when one of Nepco's majors, Premier Milling, withdraws as a member from June 30.

Clearly, Nepco will no longer function as a monopoly, an accusation it always rejected anyway. But it represents at the moment, 60% of the egg production of the 8.5m hens under permit in SA.

Peter Wrighton, Premier Milling deputy MD, says Premier represents only 25% of Nepco production. Reason for Premier's resignation was that "Nepco didn't command the support of either the independent farmers or the retailers."

Wrighton foresees no problems about marketing Premier's egg production. "We never had a surplus before we joined Nepco. We have a 44-depot distribution network countrywide which will dispose of our total production."

Premier possibly will not miss Nepco. Chances are Nepco will miss Premier. Right now talk is that Nepco will fold once Premier's support is withdrawn. Nepco GM Johan Kets was unavailable for comment at the time of going to press.

Whatever Nepco's future chances of survival, one thing is certain. The large retail chains will shout for joy once it

UP, NOT DOWN

The table showing circulation fluctuations of major newspapers (*FM* February 21) inadvertently recorded a drop of 10,6% for the *Daily News* for the period January-June 1979 over the 92 511 recorded for July-December 1979. Printers gremlins played their role, and -10,6%, instead of the correct figure of +0,6% slipped in, thereby robbing the *Daily News* of its status as one of only seven dailies (out of 23) which actually showed an improvement on the first half of the year. Our apologies to our coastal colleagues.

exits as a marketing force.

Pick n Pay's Raymond Ackerman says: "We couldn't stand being at the mercy of the big three producers, Tiger, Tongaat and Premier. We prefer buying from the independents. After battling with manufacturers and producers we are thinking along the lines of opening our own farms and own manufacturing operations."

However, the possible collapse of Nepco is not necessarily going to favour consumers. Hen numbers in SA have been drastically reduced. In terms of regulations controlling egg production, the Egg Control Board, by means of a permit system, reduced hen flocks by 1,4m.

It is unlikely that massive surpluses will again be allowed to build up resulting in eggs being sold below cost. The public can be expected to pay more for eggs. Claims Wrighton: "Even if eggs sell at 70c a dozen, they are still less than R1/kg for what is regarded as the most balanced protein in the world."

Eggs up, butter eases the blow

(3) Eggs
RDM 20/3/80.
244

Staff Reporter

THE price of eggs is going up again on March 31 and it's the third increase since December in the Transvaal and Free State.

But butter and cheese prices are due to drop by 20% in a Dairy Board bid to get rid of a 100 000-ton surplus.

The price of extra-large and large eggs will go up by 2c a dozen and medium-size eggs by 3c a dozen.

This means the consumer will have to pay an average 76c a dozen for extra-large eggs, 72c a dozen for large and 69c a dozen for medium-size eggs.

The National Egg Producers Co-operative has also indicated that there might be a further increase — about 5c or 6c a dozen — if the price of maize rises.

A Nepeco spokesman said: "The increase has become necessary because of general cost increases and also to bring the prices in line with egg prices in the rest of the country."

THE price of maize is expected to go up at the end of April — and Government sources warn that the consumer may have to foot at least part of the bill for predicted record export losses of R180-million on yellow maize.

Page 3

EXAMINATION RESULTS IN FACULTY ARTS

AS AT 29 02 80

YEAR : 1

RACHELOR OF ARTS

STUD NO	SURNAME	FIRST NAMES	COURSE	DESCRIPTION	SYM
162004R	BUANE	SUZANNE ELIZABETH	196103	ECONOMICS IA	F
158955C	CAHO	SALLY-ANN	107101 116120 111101	ENGLISH I (PRE-1980) DRAMA I CULTURAL HISTORY OF W.E. I	F 2-
162195Z	CHAIT	CHERYL	102101	AFRIKAANS	UP
153965D	CLARKE	PEWLOPE JILL	103202	SOCIAL ANTHROPOLOGY I (PRE-1980)	UP
157789K	COHEN	DAVID	104101 110101	ARCHAEOLOGY I HISTORY I	2
156503M	COLLIER	LINDSEY JEANNE			

STUD NO	SURNAME	FIRST NAMES	COURSE	DESCRIPTION	SYM
153999Q	COLLINS				
153621E	COUCHER				
158572X	COUJENAY				
153796V	DAVIS				
140457W	DELAHUNTY				
162364E	DOMAN				
1559310	DUFLESSIS				
158919N	DUNCAN				
156415R	ERASMUS	JACQUES	901101 910106	CUMMER STATIS	
162310Z	EVANS	GAVIN MARK READ	101103	AFR IAH	
161460X	FAFAK	GIULIETTA	107101	ENGLISH FRENCH PSYCHOL ECONOMICS FRENCH ITALIAN PHYSICS	

The Minister of Agriculture, Mr Hendrik Schoeman, is expected to announce the drop in butter and cheese prices on Friday.

Choice butter will drop from R1,07 for 500g to 79c — the cost price.

Cheddar cheese will be cut from R2,30 a kg to R1,32 a kg, according to leading supermarket chains.

Mr Rex Granville, managing director of the Checkers chain, appealed to the Minister of Agriculture to institute a more effective agricultural marketing system.

"We do not believe the Dairy Board is doing a professional marketing job. The price reduction is only a promotional allowance which will last a week and cause wild rushes and wild expectations.

"We have a horrid feeling that, as in the past, the consumer will pay for this.

"The authorities need to look ahead, see the products building up and carefully control supply and demand," he said.

The vice-chairman of the Housewives League, Mrs Judy Foreshaw, attacked the egg price hike.

"They have had fuel and packaging increases already, so I really cannot understand why they require a further increase."

Pint-sized Sherry Viljoen, 3, of Kenwyn, peeps cautiously over a wall at the massive 10-metre Easter bunny that has been erected at the Kenilworth shopping centre.

Consumers asked to boycott eggs

Own Correspondent

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

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

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

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

"The Egg Control Board has sidestepped the issue by saying they're not responsible for controlling the price of eggs but five of the seven members of the Egg Board with voting rights have either direct or in-

direct associations with Nepco."

Mr Greenstein said the system of free enterprise in egg marketing was a farce. "The Egg Board is forever telling independent producers to cull their hens so they don't over-produce. Some of these independents are selling every egg, yet they have to cull their hens, while Nepco happily carries on over-producing. We are fed up with the whole system and hope that the Minister of Agriculture, Mr Hendrik Schoeman, will really put his foot down this time.

"Checkers will be talking to independent producers with a view to them supplying our egg stocks," Mr Greenstein said.

Meanwhile, it's boomtime for other dairy products following the drop in price of cheese and butter in a dairy board bid to get rid of a 100 000-ton surplus. Latest figures show that Checkers' sales for cheese have increased by 300 percent and for butter by 700 percent.

New egg shell-out-angers Checkers

By MARILYN ELLIOTT

CHECKERS has asked its customers to join in a countrywide boycott of eggs following the latest price increase of the National Egg-Producers Co-operative (Nepeco).

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

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

This is in anticipation of a maize price increase which hasn't even been announced yet. This situation cannot go on.

The Egg Control Board has sidestepped the issue by saying they're not responsible for controlling the price of eggs, but five of the seven members of the Egg Board with voting rights have either direct or indirect associations with Nepeco.

Mr Greenstein said the system of free enterprise in egg marketing was a farce. The Egg Board is forever telling independent producers to cull hens, so they don't overproduce.

Some of these independents are selling every egg, yet they have to cull their hens, while Nepeco happily carries on over-producing. We are fed up with the whole system and hope that the Minister of Agriculture, Mr Hendrik Schoeman, will really put his foot down this time.

Checkers will be talking to independent producers with a view to them supplying our egg stocks," Mr Greenstein said.

Meanwhile, it's boomtime for dairy products following the drop in price of cheese and butter in a Dairy Board bid to get rid of 100 000 tons of surplus.

Figures show that since the 20% price cut announced on Wednesday - to last a week - Checkers' cheese sales have increased by 300% and butter sales by 700%.

STU13-9	BACHELOR OF SU
13010	BACHELOR OF SU
152163V	VAN NIEKE
159757Z	VAN WAGEN
155815P	VISSER
153767N	WACHER
160780L	WESSELS
158400Z	WHITAKER
115228Y	WHITTING
157399L	WILLSHER
154408K	WOLFE
159697J	WOOD
155858L	WYNGAARD

STUD NO	NAME	COURSE	GRADE	MARKS
160780L	WHITTING	GEOLGY IA (HALF COURSE)	UP	(58)
158400Z	WHITTING	ENGLISH I (PRE-1980)	3NX	
115228Y	WHITTING	FRENCH I	UP	(52)
157399L	WILLSHER	SOCIOLOGY I	UP	(56)
154408K	WOLFE	PSYCHOLOGY I	UP	(59)
159697J	WOOD	SOCIAL ANTHROPOLOGY I (PRE-1980)	3NX	
155858L	WYNGAARD	ENGLISH I (PRE-1980)	3	(56)
		SOCIAL ANTHROPOLOGY I (PRE-1980)	1	(55)
		CULTURAL HISTORY OF N.E. I	UP	(50)
* TOTAL NUMBER OF STUDENTS 137				
----- DEAN ----- REGISTRAR (ACADEMIC) -----				

UCT

Store chain chiefs 'pelt eggs' at Nepco

ARGUS
25/3/80

3 (99)
30

THREE supermarket chains have objected strongly to the National Egg Producers Co-operative (Nepco) decision to increase the price of eggs by 3c a dozen.

Mr Raymond Ackerman, head of Pick 'n Pay, said he refused to put up his price or to deal with Nepco for supermarket produce. He said it was essential for the Hypermarket to obtain some eggs from the co-operative and that prices might have to be raised after Easter, but not before.

INDEPENDENT

Mr Ackerman said most of the independent egg producers in the Western Cape had agreed not to increase their prices in line with Nepco.

He hoped this would prevent Nepco from increasing its price.

The joint chairman of Grand Bazaars, Mr Max Sachar, said the company found the increase unjustifiable. The last price rise took place in Febru-

ary and a further increase is possible in April, should the maize price be raised, he said.

Grand Bazaars would maintain current egg prices for as long as possible in the interest of customers.

Last week Mr Harold Greenstein of Checkers called for a countrywide boycott of eggs following Nepco's decision.

He said the price rise, the fourth since December, was 'absolutely ridiculous'. Even worse was that Nepco had indicated a further increase of at least 6c a dozen in April.

STUD NO	SURNAME	FIRST NAME	YEAR
162004R	BURNE	SUZANNE ELIZABETH	
158955C	CARO	SALLY ANN	
162195Z	CHAIT	CHERYL	
153965D	CLARKE	PENELOPE JILL	
157789K	COHEN	DAVID	
156503M	COLLIER	LINDSEY JEANNE	
153999Q	COLLINS	BEVERLEY ROYALD	
153621E	COUCHER	ROBERT GEORGE RENESON	
138572X	COURTENAY	COLETTE	
153796V	DAVIS	CASSANDRA ELAINE	
140457W	DELAHUNTY	ANNA TERESE	
162384E	DOMAN	MICHAEL EDWARD	
155931Q	DU PLESSIS	MARCIA ELIZABETH	
156919N	DUNCAN	ANDREW SYMON	
156415R	ERASMUS	ARNO JACQUES ERASMUS	
162310Z	EVANS	GAVIN MARK READ	
161480X	FAFAK	GIULIETTA	
153863T	FARUHAN	GILLIAN DEURAH	
152866J	FARRELL	MICHAEL BRUCE	
157359T	FINLAY	PAMELA JOAN	
159744K	FIORAVANTI	LUIGINA	

STUD NO	SURNAME	FIRST NAME	YEAR	EXAMINATION RESULTS IN FAC	MARKS
140457W	DELAHUNTY	ANNA TERESE	40	ECONOMIC HISTORY I	100
162384E	DOMAN	MICHAEL EDWARD	40	ECONOMIC HISTORY I	100
155931Q	DU PLESSIS	MARCIA ELIZABETH	42	ENGLISH I (PRE-1980)	100
156919N	DUNCAN	ANDREW SYMON	44	SOCIOLOGY I	100
156415R	ERASMUS	ARNO JACQUES ERASMUS	46	PSYCHOLOGY I	100
162310Z	EVANS	GAVIN MARK READ	48	COMMERCIAL LAW A	100
161480X	FAFAK	GIULIETTA	50	STATISTICS IC (HALF CRSE)	100
153863T	FARUHAN	GILLIAN DEURAH	52	AFR LANG INTENSIVE (XHOZA)	100
152866J	FARRELL	MICHAEL BRUCE	54	ENGLISH I (PRE-1980)	100
157359T	FINLAY	PAMELA JOAN	56	FRENCH I	100
159744K	FIORAVANTI	LUIGINA	58	PSYCHOLOGY I	100
			60	EGYPTOLOGY I	100
			62	FRENCH INTENSIVE	100
			64	ITALIAN INTENSIVE	100
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New egg price increase will be fourth this year

Argus

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A RISE in the wholesale price of eggs on Monday to compensate for the higher price of maize used as chicken feed will be the fourth this year, supermarket spokesmen point out.

A spokesman for Checkers supermarket chain said: 'In December the wholesale price of large eggs was 44c a dozen.

In January it went up to 55c a dozen, in February to 63c and in March to 66c.'

'On Monday it will go up to 70c a dozen. We will

try to cushion the public against this rise by selling large eggs at cost for an indefinite period, so the retail price will go up from 68c a dozen to 70c.

'But we shall charge a mark-up of 2c a dozen on extra large so the retail price will go up from 74c a dozen to 76c a dozen.'

Prices for eggs were unusually low in December because there was a price war between the National Egg Producers' Co-operative (Nepco) and independent producers, and

the rise in January returned them to their previous levels.

Producers said the rises in February and March resulted from increased costs including that of packaging.

A spokesman for Pick'n Pay said: 'The new rise is because the price of maize has gone up 20 percent. We are paying 66c a dozen for large eggs now and the price to us will go up to 70c a dozen on Monday.'

Egg on their faces

SIX months ago the Minister of Agriculture, Mr Hendrik Schoeman, warned that if he heard the word "egg" again, he would scream.

There was some sympathy for him from those — housewives, supermarket chains and independent egg-producers — who had themselves been reduced to screaming hysteria by the chaotic state of the industry.

The welcome news that Nepco — the controversial National Egg Producers Cooperative — is to close down, does not quite save Mr Schoeman. He has been subpoenaed by the former Information Scandal judge, Mr Anton Mostert SC, to give evidence at the trial of a farmer accused of exceeding his Egg Control Board quota of laying hens.

Meanwhile the position can only improve without that misbegotten body, Nepco, which was initiated by milling companies who were also the biggest poultry feed suppliers. Nepco became the largest single egg producer, providing 90% of the Egg Board's surplus.

And Nepco members controlled the Egg Board.

The reason for the milling giants getting together to form Nepco, was apparently to "stabilise" the egg market in which they said they were experiencing losses. In the event, stability was noticeably missing. A massive 3-million egg surplus at the end of last year was accompanied by a price rise. Thousands of chickens were slaughtered and so, between price wars, boycotts and more price increases (four this year), an egg shortage loomed.

Meanwhile Nepco sank R1,4-million into the red; independent producers resigned and so did one of the milling companies, blaming the "blatant misuse" of Nepco by outsiders.

Be that as it may, Nepco will not be missed. Nor, we suspect, would that remaining dampener on prospects for a return to competitive free enterprise — the Egg Board. But consumers' blessings come singly when they come at all.

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Nepeco throws in the towel

By Charlene Beltramo

The National Egg Producers Co-operative will die in name on June 30, but already farmers throughout the country are handing together to form regional egg co-operatives.

Two-year-old Nepeco, born in the middle of one of the country's most severe surpluses, was promptly blamed for making the surplus worse.

Its short life was punctuated by controversy.

But, despite fierce opposition from supermarket chains and consumer groups — who saw a pricing cartel emerging in the ranks of the farmers

— it seems farmers are determined to form some type of co-operative system.

Pressure forced Premier Miling's resignation from Nepeco six months ago. The withdrawal of this founder group at the end of June has forced the other two founding members, Tongaat and Tiger Oats to throw in the Nepeco towel.

But already regional egg co-operatives are being formed. The Natal Egg Co-operative has already had its inaugural meeting. About 18 producers, representing 60 percent of Natal production have already pledged membership, according to Mr. J. Friksen, managing director of Tongaat Poultry,

and Mr. H. Miltstead of Karubi Poultry.

Farmers Fair Deal spoken to in Natal and the Transvaal, emphasised there was a strong need for a farmers' co-operative.

"This is not only to help farmers get on with production, while others do the marketing, but to stop supermarket chains squeezing unfair deals from farmers," an embittered Transvaal farmer said.

He alleged that supermarkets sometimes forced unreasonably low prices from farmers. "Plus five percent under the table."

Mr. Zac Coetzee, of the SA Poultry Association said if everyone who joined Nepeco had "the

same motives, it would have been a success and beneficial to the farmer and consumer."

He refused to elaborate. Members of Nepeco were unanimous in their reluctance to discuss why they believed the organisation had failed. A Natal farmer went as far as to say that he felt it was "too dangerous to discuss the demise of Nepeco."

Nepeco has been blamed for the 100 percent price increase in eggs so far this year. However, most supermarket chains obtain supplies from independent farmers who have put up their prices accordingly, despite their apparently hostile attitude to Nepeco.

Consumer organisations have hailed the end of Nepeco.

Too cooped up

Cease considering yourselves as chicken farmers, egg producers or chookists, but as manufacturers. Manufacturing is a business, and a businessman is market oriented. He plans ahead and . . . thinks in terms, not of managing hens, but of managing money!" A William Jasper, Direc-

tor, Poultry Department, American Farm Bureau Federation.

If ever there was a case for ridding egg production of cumbersome, and oft-times farcical, control, it is now.

The R200m-a-year SA egg industry is in complete disarray and is characterised by

a triangle of fear, controls and suspicion. The 500 independent farmers live in fear of the feed companies. The feed companies are petrified of losing out to each other, to the cooperatives, and to the small farmers who sensibly want to cut costs by themselves milling and mixing feedstuffs which account for 70% of their

Financial Mail May 16 1980

741

costs.

Scrambling to protect their markets, the feed majors (Tiger Oats, Premier Milling, and Tongaat) have acquired direct control of 40% of laying stock in the country. Indirectly they are thought to have further encroached through contractual agreements with quasi-independent producers to whom they supply feed, pullets, finance and, (sometimes) marketing facilities.

And then there is government control, ostensibly instituted to protect the independent producer from expansion by the majors, but now in fact being used to prevent him expanding to meet market needs.

The perpetual surplus, the reason for production control and enforced culling of laying stock re-instituted in 1978, has effectively been reduced to a shortage (in the Transvaal and OFS at least).

Producers on the Reef are bringing eggs in from Natal and the Western Cape to fulfil supply contracts, but on pain of a R5 000 fine (or 500 days jail) cannot increase laying stock beyond permitted quotas to take advantage of the buoyant market caused by the supply situation.

Notwithstanding the heavy penalties, many producers have deliberately flouted the Production Control Act, and where they have been found out, most have paid admission of guilt fines.

Two actions

Two separate actions, one civil and the other criminal, involving production control, are before the courts. In one of the cases Minister of Agriculture Hendrik Schoeman has been placed in the invidious position of having to testify against a farmer, or implicitly to come out against production control.

The subpoena is seen as a shrewd move in that it compromises Schoeman. He will obviously be loath, for fear of alienating *boere* support on the platteland, to assist in the prosecution and conviction of a farmer. On the other hand, he will be equally embarrassed if he fails to support production control.

In the other action, papers have been filed in the Cape Supreme Court by a Cape egg producer, Dundarach Poultry Farm, requesting an order restraining Schoeman and the Egg Control Board from enforcing compliance with the permit granted to the producer. The producer is to file an application to set aside its quota and to restrain Schoeman and the Board pending the result of the Monopolies Board investigation into the egg industry.

Allan Stuart, MD of Dundarach, claims that the permit granted him in May 1979 doesn't allow his operation to be economically viable, and asserts that he has a right to make a living.

The irony of both these actions is that the very fabric of legislation designed to protect the interests of producers against an unstable market and the feed compan-

ies, is being contested on grounds that it actually prejudices the smaller producer.

When Schoeman re-instituted control in September 1978, hen population was 9.4m. This has been cut back, through culling, to 8.8m. At the same time, the weekly egg surplus has been reduced 80%, from 19 109 cartons (of 30 doz each) a year ago, to the present 3 773 cartons.

Schoeman intimated in 1978 that the control was temporary, but, according to Albert Olivier, Egg Board GM, he was referring to the particular measures, and not production control *per se*, so any hope that control will be scrapped, now that there is no longer an overwhelming surplus, can presumably be discarded.

A commission leaves shortly to study control measures, or supply management as it's also called, in other countries to see how these can be applied in SA. "My feeling is that the present regulations will be refined," says Olivier, who insists that



control is necessary. "One only has to look at the broiler side to see what happens in a completely free market. There are now only four producers with two feed companies dominating. If that happened in egg production, the feed companies would move in rapidly because theirs is a vertically integrated operation."

It might be laudable to protect the interests of small operators. But apologists for control fail to address the question of whether this should be engineered at the expense of the consumer, and in the interests of allowing inefficient producers to remain active?

A 4c doz levy ensures that the Board, in terms of the Marketing Act's surplus removal scheme, is able to buy up all surplus eggs at a floor price. Thus producers are assured of a protected market,

although at a lower price (43c/kg, or 30c/doz) than in the open market place.

One result of an assured income is that producers become complacent and fail to carry through a concerted marketing effort. This would seem to be the object lesson learned from the two-tier floor price system introduced to assist the Egg Board to balance its books. Because of the vast quantities of surplus eggs the Board was obliged to buy in, it decided to purchase only 850 000 cartons at the floor price, and any excess only at an export parity price pegged to overseas market prices.

Thus producers received only about 40% (around 12c/doz) of the floor price for excess quantities, which, admits Olivier "forced farmers to go into the market to get a better price." Surely this would still pertain in a free market situation if surplus removal was abolished?

But egg producers are still not satisfied, and moves are afoot to request a higher floor price to ensure greater returns. Zach Coetzee, secretary of the SA Poultry Association, writes in the *Poultry Bulletin*: "The error the industry and government has made in the past was the failure to lower the floor price in support of the need to reduce production. Why repeat. . . (this error). . . the floor price is nothing to rely on as a means towards gaining profits."

But while independents have had an assured market because of the major food chains' declared policy of giving them preference over the National Egg Production Co-op (Nepco), they could find the going tougher when Nepco dissolves shortly because of resistance to it, and the fact that it allegedly played into the hands of the feed companies. These companies could, it was claimed, keep their large scale production economies to themselves, while transferring the burden of distribution onto smaller competitors.

In all likelihood, the majors, who all at one stage belonged to Nepco, will reintroduce confidential discounts to regain a place on supermarket shelves. And while the chains might "abhor" doing business with the majors, lower costs and higher profits are going to be hard to ignore.

Says Premier Milling chairman Tony Bloom: "The rewards of the supermarket's friendship with the independents are dubious to say the least." Bloom however supports production control. "I agree with it - I would go to great pains to ensure that chaos doesn't result. You can't let the industry go where it wants and bugger the consequences." And he claims to have urged the Minister not to decontrol.

Deputy MD Peter Wrighton believes that a free egg market "would be fine in a Utopian world," and that some sort of supply management is necessary. "Without it, each producer wouldn't know what the other's doing - a lead time of a year

producers (who were subject to control prior to February 1970) to escape the axe and be forced to cull laying stocks to proscribed quota levels.

As the law stands, the Egg Control Board is unable to force producers to cull beyond quotas stipulated before or at February 28 1970. With the amendment, this will now fall away.

Prejudiced

The reasoning behind the move might be sound. Producers without a quota at that date were prejudiced in that they had to cull to an even greater extent, as single units, than was necessary to meet egg production limits

This was because producers who had been subject to quota permits prior to the 1970 cut-off could legally refuse to cull beyond those limits

The amendment therefore seemingly attempts to look after the interests of parties concerned.

But what it still ignores is that the controlling Act, in its entirety, mitigates against the interests of all parties — producers and consumers alike — while protecting the interests of the few.

EGGS 3eggs FM
Control rolls on 23/5/80

The latest amendment to the Egg Production Control Act, 1970, is yet another example of the tedious legal footwork needed to ensure that control of the R200m-a-year egg industry can be effectively enforced.

The Bill, currently before Parliament, proposes to delete subsection (4) of section (2) of the 1970 Act. In effect, this will remove the one loophole which allowed

face to face

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Egg prices jump

STAR 27/5/80 3 eggs

3c from tomorrow

Own Correspondent

have to be met.

DURBAN — Egg prices jump another 3c a dozen tomorrow — the second increase in a month — as the National Egg Producers' Co-operative faces a R1.4-million debt run up by the controversial co-operative.

Nepco is scheduled to close on June 30, when the debt in the first 18 months of operation will

Nepco is a fully constituted company whose members constitute 80 percent of the country's egg producers and major food firms.

The new increase, which adds 6c a dozen to the wholesale price of eggs in less than a month, pushes up the wholesale price of eggs to 71c for large and 74c for extra large.

Drop in egg price is 'not war'

Fair Deal Reporter

Consumers are slowly emerging as the winners in the scramble for control of the \$400-million a year egg industry — prices are dropping 3c a dozen and should remain that way for the next two months.

Mr. R. Brown of Steinbro, one of the three major producers, said there was currently a small seasonal surplus.

"Instead of waiting until October for a massive surplus and then briefly cutting prices by 15c,

we're passing on the benefits to consumers now.

"A reduction of less than five percent is certainly not a price war. We should be able to maintain the drop for another two months depending on supplies," he said.

Premier Milling are expected to follow Steinbro's lead, particularly as the supermarket chains they supply have already dropped prices.

Both Pick 'n Pay and Checkers said there was no price war and they would discourage one. A

price war would eliminate independents from the fiercely competitive egg market and pave the way for a monopolistic and probably cartel situation.

Spokesmen for both chains voiced the opinion that the big producers were jockeying for position in the market.

Checkers will be selling eggs at 70c a dozen for extra-large and 66c a dozen for large.

Pick 'n Pay is charging the same price for extra-large eggs, but 2c more for large.

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The effects of Inflation

1) Fixed income earners / pensioners etc who fall into this category would under stabilized circumstances save to provide for the future. But if prices increase the amount of savings alone undertaken would be ~~and~~ not be sufficient as they would ~~can~~ not buy the same amount of goods for their money which they originally proposed to do.

2) Creditor. A creditor is a person whom you owe money due to a loan or a credit sale. If you had paid this person when buying the goods he would then have received the equal value of the goods through a certain amount of money. After a few months when you pay your creditor back, the ^{value of the money} amount you pay him is ~~would~~ not be the same as if you paid him earlier. Therefore it pays people to be in debt.

3) Null (Bad) Investment: By investing money, you will not get a true reflection of your return on the investment as the value of the investment goods up in inflationary times ✓

4) Cost of Credit: During inflationary times

Egg price war unlikely

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EAST LONDON —The egg price war which hit Johannesburg and Cape Town, leaving consumers puzzled and uncertain, seems unlikely to affect East London.

"Pick 'n Pay have made in-depth inquiries into the matter and information from egg suppliers indicate East London's egg prices will remain stable," said general manager, Mr Terry Carroll, from Port Elizabeth yesterday.

The perishables' manager of Checkers, Mr Ian Bentley, said O. K. Bazaars had dropped their prices until the end of the week, but to the best of his knowledge Checkers would maintain normal prices.

"Of course as a supermarket we might retaliate and undercut prices, but as yet I'm not sure," he said.

The manager of O. K., Mr A. Selmour, said he knew nothing about the whole business and had no further comment to make.

The news that Johannesburg and Cape Town egg prices which already have been cut by 4c a dozen, may be slashed even further, (in the Cape by up to 11c), has made independent egg producers fearful of their livelihoods.

In the opinion of one supermarket, the Housewives League and a major independent egg producer, the end result will be the consumer paying more for eggs.

President of the Housewives League, Mrs Joy Hurwitz, suggested the Minister of Agriculture fix a minimum price for eggs to protect the farmers and the consumer from

monopolies or cartels.

She said the poor who needed the protein in eggs, would be hardest hit if independents were forced out of business or into a cartel. — DDR.

EGGS F.M. Who scores? 3 eggs

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end of June and is seen partly as a move to discourage Western Cape producers from shifting their seasonal surplus on to the Transvaal market.
 Tiger Oats' Steinbro — one of the major producers — took the lead in cutting prices earlier this month and other producers followed suit. Supermarket chains in the Transvaal consequently chopped their prices, too.
 Steinbro MD Ray Brown explains: "We adjusted our prices by 5% across the board because eggs are coming up from the surplus-producing western Cape. Drop-

ping the price in the Transvaal makes it less attractive for other people to dump their eggs here."
 Egg Board GM Dr Bertus Olivier confirms this viewpoint. "Egg farmers are very regionalised and the Transvaal producers are upset about the influx of eggs from the Western Cape. There is a cost factor involved in bringing eggs from the Cape to the Transvaal — 5c-6c a dozen — and the 3c price drop will make it that much more uncomfortable. It's a warning to Cape farmers," he says. Olivier adds, however, that the current surplus (90%

less than the same time last year) is too small to warrant a price drop.
 Many independent producers see the price cut as a move by major producers (notably Steinbro and Premier Milling) to force them out of business. Although their profit margins on eggs are "slight," they say they have no alternative but to drop prices in line with the majors in order to retain their markets.
 "Many of us have our backs to the wall — we're producing at a loss to stay in business," says one independent farmer.
 Another independent says: "The big

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 It is a task to which project management is particularly
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 for any specific segment of the project which is to be let

Egg price war is not all good news

③ Egg
DM 20/9/80.

By PAT SIDLEY
Consumer Mail

THE price of eggs dropped by 4c a dozen at major supermarkets in Johannesburg yesterday heralding an egg producer price war, mystifying the Egg Control Board and worrying consumers.

The egg surplus is 90% less than it was this time last year when producers were trying to raise the price.

Fears were expressed yesterday that the major egg producers were engaged in a battle for the lion's share of the market, which would eventually squeeze the smaller independent producers out and send the egg price up.

It could also force one of the major producers out of the market, allowing a near-monopoly.

Mr Raymond Ackerman, head of Pick 'n Pay, yesterday blamed the price drop on "surpluses" but later said he believed there might be more going on in the industry.

"It may signal a move by the big producers to force out the

independents," he said.

He would keep a close watch on the situation to see the independent producers, whom he has championed, were not forced out by a price war.

A spokesman for Checkers said the surplus was far too small to warrant a price drop and also feared major producers were forcing the price down and pushing the independent producers out.

Premier Milling, one of the two major egg producers in the Transvaal, had approached Checkers to drop their egg prices, he said.

Yesterday Mr Tony Bloom, chief executive of Premier Milling said: "The price drop comes as news to me — let me know if there is a war on so that we can arm ourselves."

Less than two weeks ago the floor price of eggs was raised by 5c a kilo and two months ago the price to consumers was raised by 3c a dozen.

Dr A H Olivier, General Manager of the Egg Control Board, was surprised last night to hear the price had dropped.

Egg prices up by 4c from Monday

By VITA PALESTRANT
Consumer Mail

EGGS will go up by 4c a dozen from Monday — bringing increases to 6% over the past two months and about 16% over the past year.

A dozen extra large eggs will now retail at 74c; large at 70c and medium eggs, which make up only a small percentage of the market, at 68c.

Mr Harold Greenstein, a spokesman for Checkers, said his chain was informed of the increases by the egg divisions of Premier Milling and Tiger Oats.

"It's interesting to note that their prices have gone up simultaneously by the same amount. A commission of inquiry should be appointed into the poultry industry to examine the extent to which there is collusion," he said.

Last year the egg industry was plagued by problems. Large surpluses and price wars led to the formation of the National Egg Producers Co-Operative (Nepco). Far from stabilising the market, Nepco's formation led to further price wars, and the co-operative was finally disbanded in July this year.

Eggs prices were some 23% lower two years ago. At the end of 1978 extra large eggs retailed at 60c; large at 57c and medium at 54c a dozen.

Mrs Joy Hurwitz, national president of the Housewives' League, said the recent spate of price increases in red meat, chicken and eggs was distressing but the increase in egg prices would put tremendous pressure on the underprivileged.

"Eggs are meant to be a cheap source of protein — they are now being put out of reach of the poor," she said. "I can't think of anything that can justify these increases. Consumers are no longer able to afford basic foods."

Price of ③ eggs up again in the Tvl

By PAT SIDLEY
Consumer Mail

THE egg price, which went up 4c a dozen in the Transvaal this week, will go up another 3c a dozen in the province next month.

And the Egg Board has said it is possible that the present Transvaal egg shortage is partly caused by egg producers selling their laying hens to fetch the higher poultry prices.

Dr A. H. Olivier, chairman of the Egg Board said yesterday: "Producers may be selling their spent hens earlier instead of leaving them to lay eggs," Dr Olivier said.

The Egg prices have risen by about 24% during the past year.

Extra large eggs will be selling in November at around 78c a dozen, large at 76c and medium at 72c.

Dr Olivier said wholesalers and retailers may be stockpiling eggs in readiness for the Christmas season and would bring them out of cold storage when the prices were higher.

Dr Olivier said red meat and chicken price rises had lead to an "enormous" increase in egg consumption. He thought this may have produced the shortage in the Transvaal.

Eggs are being railed from the Cape and Natal, where there is a slight surplus, to fill the needs of Transvaal consumers.

An egg shortage likely to hit SA next year

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15/11/80
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THE Egg Control Board is considering urgent measures to alleviate an expected egg shortage likely to reach crisis proportions by February or March, according to the deputy general manager of the board, Mr D J Gouws.

He was commenting on a notice in yesterday's Government Gazette, which will increase egg prices in some parts of the country by 4c a dozen.

The gazette notice extends the areas controlled by the board in which a levy of 4c a dozen must be paid by the consumer to help subsidise the loss the board has suffered for about the past 30 years on exporting eggs at lower prices than those ruling in South Africa.

The new areas to be controlled are: In the Transvaal — Pietersburg, Coligny, Lichtenburg, Marico, Warmbaths and Waterberg. In Natal — Newcastle, Eshowe, Ixopo and Mtonjaneni. In the Eastern Cape — Cradock. In the Western Cape — Ceres and Vredenburg.

Mr Gouws said in some of these areas, which were close to other already controlled areas, the price of eggs was not likely to rise as it was probably already at the same level.

What would happen in such cases was that the levy would now have to be paid to the Egg Board instead of being pocketed by some wholesaler or retailer, as had presumably been happening in the past.

However, in certain more isolated, but big complexes such as Newcastle and Pietersburg, the price was likely to go up to include the new subsidy.

Mr Gouws said the threatening egg shortage could be alleviated in two ways. Action was expected within a fortnight to encourage egg producers not to sell off their hens before they had given their full production over 52 weeks, as was now happening to meet the demand for slaughter hens.

The prices of cull hens, he said, had risen over the past six months from about R1,20 to about R4 a hen. This was due in part to the sharp red meat price increase and consumer switch to white meat.

To stop this early culling for slaughter, the board was considering giving producers who refrained from the practice, additional production permits in future, Mr Gouws said.

He pointed out that egg consumption had increased dramatically since the middle of this year.

The average annual consumption increase was between 8% and 10%. However, with the red meat price hikes, many people had apparently substituted eggs in their diets and the increase for some months now had been at the rate of 3% a month.

The demand for eggs had skyrocketed since June at an unprecedented rate, and the rising trends showed no sign of easing off.

Mr Gouws said there would be no shortage of eggs. Urgent measures could help to encourage greater local production and, if it proved necessary, the board could resort to importing eggs to meet the escalating demand.

Apart from encouraging producers not to cull hens before they had had their full laying period, the board was also considering another immediate step to increase production by making bigger production permits available in any case to producers in the Transvaal and Free State where there was already an egg shortage.

The shortfall was being met by production from other parts of the country in the meantime. — Sapa.

Critical shortage of eggs feared

Weekend Argus Correspondent

JOHANNESBURG. — The Egg Control Board is expecting a critical shortage of eggs by February or March unless action can be taken to prevent it.

New areas to be controlled include Ceres and Vredenburg in the Western Cape.

In some areas the price would probably not rise as it was already high enough, the official said.

An official was commenting on a notice in yesterday's Government Gazette which will increase the price of eggs by 4c a dozen in some areas.

He said consumers were paying the levy to help subsidise the loss the board had suffered for about 30 years on exporting surplus eggs at lower prices than on the home market.

The threatening shortage could be alleviated by encouraging producers not to slaughter laying hens, by giving them additional production permits in the future, and by importing eggs.

This would be done only if the imported eggs did not cost more than local eggs, the official said.

ACRICULTURE - EGGS.

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Egg price increase will hit blacks

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Consumer Reporter

BLACK people, in particular will be hit by a rise of 2c a dozen in the price of eggs next week, said the Cape chairman of the Housewives' League of South Africa, Mrs. Peggy Borckenhagen, today.

Eggs will go up in some parts of the country because of increased costs to the producers.

During 1980 the price of eggs rose five times in the Western Cape to reach double the price charged in December 1979.

Now the Egg Board is expecting a shortage because of the increased demand as a result of the high price of red meat.

Any rise in the price of eggs will hit the poorer families, which use more eggs because they are the cheapest form of protein, said Mrs. Borckenhagen.

This rise has been threatened for some time and I suppose we must be thankful it is not a bigger one. I hope it will not be followed by another before long.

Egg shortage looms for Reef housewives

STAR
8/1/81
3 Eggs.

West Rand Bureau

Egg merchants and wholesalers on the Reef have been hit by a serious shortage and they say consumers will soon feel the blow.

The shortage has been sparked largely by heavy consumer demand for eggs as an alternative source of protein to red meat.

Wholesalers battling to get supplies say the situation is desperate, although the Egg Control Board is "not worried" by the shortage at this stage.

A Krugersdorp egg merchant, Mr M Tothill, said: "We may as well close down. I am unable to supply any retailers, let alone the public."

A Johannesburg wholesaler, Mr Chris Costas,

said he had been forced to cancel hundreds of orders.

"Normally I sell about 5 000 cases a month, now I am praying for eggs. The only eggs I have are those I bought from the supermarkets."

Wholesalers said the shortage was not merely seasonal but was likely to get worse in the next few weeks.

The managing director

of a large Johannesburg food supplier, Mr Ray Brown, said the situation would return to normal as soon as consumers slowed down their demand.

"Demand has risen by as much as 50 percent in one week, and you can't programme hens to produce that much more.

"PARASITES"

"We are still able to supply the chain stores and some loyal customers."

Mr Brown blamed "the parasites of the trade" for causing much of the problem by competitive buying.

A Zandspruit farmer, Mr Johan du Plessis, said the Egg Control Board was issuing extra permits, but it could take as long as 18 months to expand production.

"Things will get worse before they get better. At the moment, South Africa is getting its freshest eggs because we are simply unable to store eggs."

ABNORMAL

Mr Du Plessis said the abnormal increase in consumption, a result of rocketing red meat prices last year, had caught poultry farmers unawares.

A spokesman for the Egg Control Board in Pretoria said the shortage was "only seasonal" and was expected to ease up soon.

"We are not worried at this stage, but we do expect some problems in the winter months."

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PRODUCTION ORDER

SHIP. ORDER NO. 38700

WEIGHT _____ HOW PACKED _____

DATE ORDERED	BY CUSTOMER	SHIPPING ORDER	ISSUED
MONTH DAY YEAR	MONTH DAY YEAR	MONTH DAY YEAR	MONTH DAY YEAR

CUSTOMER'S ORDER NO. 40 REQ. 750

On	Drawing No.	Check	Pattern No.	Stock	Purch.	WM	Rev. 11701.22 GZR
11701.0.22							

7/16 F.

typical type of production order. The actual format vary depending on the needs of the production organization.

a starting point for the production control

- (a) Convey information about the customer, his requirements, specifications, and promised time and place of delivery.
 - (b) Provide a nucleus for cost collection, either for the order as a whole, or for individual components and processes on components
- It authorises the start of production. The function of the production order is to:

S.M. 14/1/51
36-031

Egg price goes up again by 2c

Own Correspondent

The wholesale price of eggs will go up about 2c a dozen this month to cover increased packaging and labour costs.

The profit margin of eggs is so small, most supermarkets would probably not absorb the increase.

The price increase is expected in the last week of the month after an increase in the Cape next Monday.

This increase and expected further egg price rises in June were purely increases in cost production and not loading of prices, chairman of the

Northern Transvaal Poultry Association, Mr I Bartlett, said.

The increases in the price of packing material was about 0,75c a dozen. There was also an increase in labour and electricity costs this month, he said.

In April or May, the maize price would be reviewed and probably increased.

An increase in the price of maize which was 70 per cent of the feed, would result in another egg price increase, he said.

Egg prices almost doubled last year when the price rose five times during the course of the year.

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.

Miss C Tredgold

For the best woman student
in third year.

P A Rappoport

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

P F Dunckley

Sixth Year

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

ARCHITECTURE

Egg price is set to rise in Natal

Mercury Reporter

THE price of eggs in Natal will be increased in the near future according to the Natal Poultry Producers' Organisation. This follows the announcement yesterday that the price is to be increased in the Cape on Monday.

According to the chairman of the Commercial Poultry Organisation, Mr Noel Leitch, a 3 percent increase was being considered. He said it had become necessary because of higher production costs and added that there had been no increase since last May. It was customary to review prices every January or February.

Mr Leitch said there was also a possibility of a major price increase in May when the minister would announce the increased price of maize.

According to Mr Leitch egg prices were similar throughout the provinces, with Cape prices being slightly higher than those in Natal. Transvaal prices were generally lower because maize transport charges were not as high there.

'Natal has maintained a strategic reserve of eggs and this has resulted in a nice balance,' he said.

Asked whether producers might take advantage of the adjustment and increase prices unfairly, Mr Leitch said it was unlikely.

'We suggest a minimum increase and those who charge more are then subject to the normal market forces of supply and demand.'

No producer would be forced to increase prices, he said.

AD 15/1/81
Rise in
egg
price 

PORT ELIZABETH — Egg producers in the Eastern Cape and Border have decided to increase their price by 2c a dozen from February 2.

Mr W. A. Ward, South African Poultry Association representative for the Eastern Cape, said the price increase had been brought about by rising production costs

These included a 15 per cent increase in packaging costs from January 1. Wages and general running expenses had risen continually since the last increase of 2c a dozen on June 2, he said.

Producers could not absorb these increased costs. He said wholesale prices had been stable for six months. Producers had been extremely responsible in pricing, particularly through the Christmas season, when eggs were in short supply temporarily.

He said the increase represented a 2,8 per cent increase on all grades. Eggs were still the best nutritional buy available.

Mr Ward said there would also be increases in other regions, some of up to 3c a dozen. — DDC.

Imports to beat new egg shortage

NM 16/1/81
3 eggs

PRETORIA—Eggs would be imported to meet a short-term shortage and to stabilise prices, the general manager of the Egg Control Board, Dr A H Olivier, said here yesterday.

The eggs would be distributed through normal channels and would be available towards the end of next month.

Dr Olivier said the additional cost of importing eggs would be borne by the board and would not have to be met by the consumer.

The intended imports are solely for the purpose of meeting the egg shortage in the short term, and will by no means upset the normal balance between supply and demand in the industry, whereby producers could be placed in an unhealthy competitive situation, he said.

The egg shortage was primarily due to an unprecedented upsurge in consumption which had risen by about 15 percent

since June last year.

Wholesale and retail egg prices were not controlled and the higher demand had resulted in price increases which had also been contributed to by higher input and packing costs.

In addition, the number of laying hens had not as expected, increased last year.

The meat price rises had resulted in laying hens being slaughtered before the laying cycle had been completed and in a consequent reduction in the number of eggs available for consumption. — (Sapa)

● It was announced this week that eggs will cost at least 2c more a dozen in Durban supermarkets from next month.

And yet another price rise is scheduled for May when the cost of animal and fowl feed, which retailers will also pass on to consumers, is announced by the Government.

Now SA

will get
ROM 16/1/81
its eggs
from ~~USA~~

America

By PATSIDLEY
Consumer Mail

FIRST it was chickens imported from the United States. Now it's eggs

The Egg Control Board has announced that because of the present "slight" shortage of eggs, about which it was not worried last week, it has to import eggs from the US to make up the shortfall in the Transvaal and the Free State.

And industry sources have speculated that the imports are intended to cover the board's export commitments, severely hampered by the shortage.

In a Press statement yesterday, Dr A H Olivier, the general manager of the Egg Board said: "In order to meet the egg shortage for the short-term -- and also to stabilise egg prices -- it has been decided by the board to import a limited quantity of eggs and distribute those eggs through existing channels.

"The additional costs involved in the importation of eggs will be borne by the board and consequently will not have to be met by the consumer. The imported eggs will be available towards the end of February.

"The intended imports are solely for the purpose of meeting the egg shortage in the short-term and shall by no means upset the normal balance between supply and demand in the industry, whereby producers could be placed in an unhealthy competitive situation."

An industry source said he thought the imports were intended to cover the board's export commitments. He thought the present shortage should soon end with the decreased demand after Christmas.

Last week Dr Oliver said the Egg Board was not worried about the egg shortage as it was seasonal.

© South Africans ate 30-million dozen more eggs last year than in 1979.

ARCHITECTURE

(Continued)

Anger at move
to import eggs

30000 BY JEAN LE MAY

EGG producers have slammed the Egg Control Board for importing eggs only months after ordering the wholesale slaughter of laying hens to get rid of a massive egg surplus.

Eighteen million cold storage eggs - 50 000 cases of 30 dozen each - are being loaded at a port in the south-eastern United States and will arrive in South Africa in three weeks, a source said.

It appears likely the eggs will be used to supplement shortages in northern and eastern Transvaal homelands and Black townships.

Black consumers in these areas could be sold eggs which will not last more than two days without refrigeration, a producer told the Sunday Express.

Mrs W L Deiner, of Middelburg, told the Sunday Express: "I have been trying to get a permit for substantially more hens to meet the serious shortage here, but all I was allowed was a 4 000 increase."

She said Black consumers would have to throw away "at least half" the imported eggs. "In this climate a cold storage egg goes bad in two days without refrigeration."

The Sunday Express established there was also a serious shortage of eggs in the townships and Black areas of the northern Transvaal.

Dr A H Olivier, general manager of the Egg Board, was not available for comment.

BUILDING

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J A L Chapman

Second Year

C S Jones

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Fourth Year

R W Kohne

George Strachan Prize

For the best final year student of the degree course.

R W Kohne

LTA Prize

For the best student obtaining a first class pass for a dissertation in Building Management.

S F Richardson

FM 27/2/81
COMPETITIONS BOARD

Fertiliser to fly?

The Competitions Board has decided that the market share agreement between the country's two main fertiliser suppliers, Triomf (54%) and Fedmis (46%), is harmful and constitutes a restrictive practice which it cannot condone in the public interest.

The board recommends the practice be terminated 12 months after Fedmis' new ammonia plant comes on stream, now scheduled for 1984. Once the market share agreement is terminated, manufacturers will have to claim their own market share in a free-for-all fight.

This emerged during this week's tabling by Minister of Industries, Commerce and Tourism, Dawie de Villiers of three reports by the Competition Board.

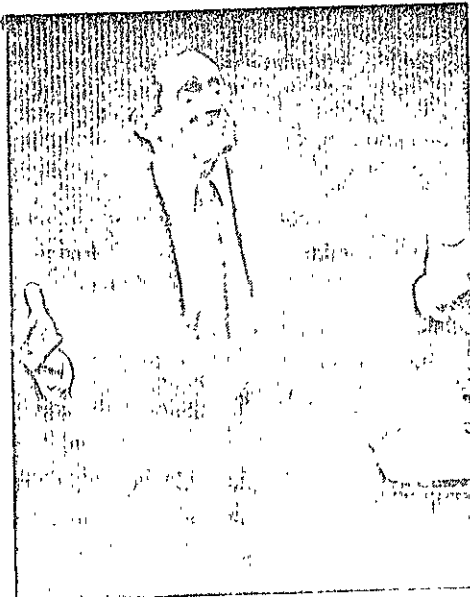
The reports contained the board's findings and recommendations in connection with its investigations into the supply and distribution of sanitary ware and hardware for the building industry; the supply and marketing of poultry products, and the supply and distribution of fertiliser.

The investigation into the distribution and marketing of fertilisers focused on the industry's control over the supply of essential raw materials and intermediate products, and allegations of unfair allocation to smaller producers of scarce raw materials such as nitrogenous products due to insufficient local production of, for example, ammonia products.

The board recommends that government should revise its policy on import control and tariff protection on these scarce commodities, to allow new entrants into manufacturing and to obtain requirements at reasonable prices.

The question of shareholdings by co-operative societies in fertiliser manufacturing operations was considered by the board to be a restrictive practice which it could not condone in the public interest. However, co-operative societies last year voluntarily terminated their shareholdings in one of the two major fertiliser manufacturers, Triomf, before the completion of the board's report.

The board's investigation into the sup-



Premier's Bloom... major feedstock companies cleared

ply and distribution of sanitary ware and hardware was concerned mainly with the 20 year-old agreement between the Board of Trade and the Merchants Association in terms of which the merchant and suppliers may not enter into exclusive dealing arrangements or the practice of resale price maintenance.

The board recommends that because

important changes have occurred since the agreement was reached in 1961 the agreement has become obsolete. The practice of resale price maintenance has been illegal since 1969. The board recommends that because the agreement is ineffective, each complaint should now be treated individually and on merit.

The board's investigation of complaints into the supply and marketing of poultry focused largely on allegations levelled against Nepeco and the Egg Board and the way in which they administered the production and marketing of eggs, as well as allegations of abuses stemming from vertical integration by large feedstock manufacturers into egg and poultry production.

In terms of Section 2 of the Maintenance and Promotion of the Competition Act, the board is precluded from making recommendations which would regulate the production and distribution of eggs by the Egg Board or Nepeco. As a result of this provision in the Act, the board's report contained no findings and recommendations in regard to the Egg Board and Nepeco.

As far as allegations concerning the vertical integration of major feedstock manufacturers, the board could not find evidence for allegations that the three major feed manufacturers manipulated and dominated Nepeco and the Egg Board

for their own advantage.

The board suggests that government provides egg producers with adequate financing facilities. The board feels independent egg producers do not at present have adequate financing facilities such as Land Bank loans available to them, and this should be changed. Inadequate financing facilities encourages vertical integration in the poultry industry.

To what extent the board's findings will be implemented depends on De Villiers, whose decisions are being awaited by all interested parties.

Egg promotion plan slammed

NM 5/8/81

3-497



Mercury Correspondent
JOHANNESBURG—Retailers and consumer watchdogs have slammed the Egg Control Board's 'incongruous' R512 000 campaign to promote egg consumption in South Africa.

They believe that, with the present serious egg shortage, a demand situation that could not be met would arise. This would result in unnecessary price increases.

The announcement of the Egg Board's decision to spend R512 000 in a massive advertising promotion was made this week by its general manager, Dr A H Olivier.

Yesterday he said that in past years egg consumption had declined because 'eating habits had changed' but that there had been an increase following a good economic year last year.

'We would like to keep the level of consumption high, not because of economics, but because of the egg itself,' he said.

Pick 'n Pay's chairman, Mr Raymond Ackerman, has called the campaign 'crackers' and a waste of money.

The campaign was obviously planned when there was a surplus. But now there is a ghastly shortage. To have a campaign now is

just a terrible waste of money. The money could be used to cut prices or at least contain the increases which have come in the wake of the shortages.'

Not good

He added that with another increase in the pipeline it was 'not good marketing'.

Mr Clem McLeish, Metro Cash and Carry's director of merchandising, called the campaign incongruous.

'We feel that to advertise eggs when there is already a shortage would stimulate consumer demand. The natural law of supply and demand means there would be another price increase which is what we are trying to avoid,' he said.

Mrs Joyce Hurwitz, president of the Housewives' League, said it made housewives flaming mad to see basic foodstuffs advertised when they could not afford them.

'Any money spent to advertise eggs could be better used to offset price increases and bring down costs. And presently we would welcome any assistance to cut costs and price increases.'

The director of the Consumer Council in Pretoria, Mr Jan Cronje, said he could not understand why

the board would want to advertise during an egg shortage.

'If it is going to stabilise the market then the campaign has a use. But the demand is going to increase. As it is there is talk of importing eggs.'

But Checkers said that although they welcomed the campaign and would encourage the board in this direction they did not feel the timing of the promotion was right.

Miss Peta Lomborg, spokesman for the group, said: 'While we do welcome it we would have preferred them to run the campaign toward the beginning of summer when egg supplies improve. We feel they have their timing wrong.'

Dr Olivier countered that if a demand situation arose which could not be matched by the supply, the Egg Board would consider importing eggs from the United States.

DM 5/3/81 (3 eggs)
~~Egg Control Board~~
**Egg promotion
called 'crackers'**

By SUE ROBERTSON

RETAILERS and consumer watchdogs have slammed the Egg Control Board's "incongruous" R512 000 campaign to promote egg consumption in South Africa.

The Egg Board's decision to spend R512 000 in a massive advertising promotion was made known this week by its general manager, Dr A H Olivier.

Pick 'n Pay's chairman, Mr Raymond Ackerman, has called the campaign "crackers" and a "waste of money".

Mr Clem McLeish, Metro Cash and Carry's director of

merchandising, called the campaign incongruous.

Mrs Joyce Hurwitz, president of the Housewives' League, said it made housewives "flaming mad" to see basic foodstuffs advertised when they could not afford them.

The director of the Consumer Council, Mr Jan Cronje, said he "could not understand why" the board would want to advertise during an egg shortage.

Dr Olivier countered that if a demand situation arose which could not be matched by the supply, the Egg Board had contemplated importing eggs from the United States.

Egg advertising slated

JOHANNESBURG — Retailers and consumer watchdogs have slammed the Egg Control Board's "incongruous" R512 000 campaign to promote egg consumption in South Africa.

They believe that with the present serious egg shortage, it would result in unnecessary price increases.

The Egg Board's decision for a massive advertising promotion was announced by its general manager, Dr A. H. Olivier.

Pick 'n Pay's chairman, Mr Raymond Ackerman, has called the campaign "crackers" and a "waste of money".

"The campaign was obviously planned when there was a surplus. But now there is a ghastly shortage. A campaign now is just a terrible waste of money," he said.

Mrs Joyce Hurwitz, president of the Housewives' League said it made housewives "flaming mad" to see basic food-

stuffs advertised when they could not afford them.

"Any money spent to advertise eggs could be better used to offset price increases and bring down costs."

The director of the Consumer Council in Pretoria, Mr Jan Cronje, said he could not understand why the board would want to advertise during an egg shortage.

"As it is there is talk of importing eggs," he said.

But Checkers said that

although they welcomed the campaign and would encourage the board in this direction, they did not feel the timing was right.

Dr Olivier countered that if a demand situation arose which could not be matched by the supply, the Egg Board had contemplated importing eggs from the United States.

"Indications are that our own producers will be in line from April onwards," he said. — DDC.

Introduction:

This paper is based on the results of a survey of 32 farms in the magisterial districts of Beaufort West, Fraserburg, Middelburg and Graaff-Reinet, conducted between September, 1975 and mid-April, 1976. Information about 130 permanent men workers and about 57 women workers was collected. The survey was made through interviews with farmers and, where possible, with workers. Samples of farmers and of workers were not systematically selected, so that no claims can be made to representativeness, either in the Karoo or in any of the four magisterial districts concerned. Three other sources, more or less the same in scope, are available as a check on the validity of the figures obtained. These are:

- 1) the Agricultural Census for 1972-1973 (Department of Statistics, Agricultural Census No. 46, Report No. 06-01-10), which provides information on number of farms, area, numbers employed and wages in cash and in kind for all magisterial districts;
- 2) a survey conducted by the University of South Africa on behalf of the Theron Commission in January and February 1975

Poultryman says egg industry needs advertising to survive

Mercury Reporter

THE egg industry needs advertising just as much as any other industry if it is to survive, the chairman of the Natal Poultry Producers' Association said last night.

Mr. Noel Leitch was reacting to protests from retailers and consumer watchdogs over the Egg Board's plans to spend R512 000 on advertising to promote egg consumption in South Africa.

Mr. Leitch said although Natal did not have an egg shortage it was still necessary to advertise to increase consumption.

A few years ago egg consumption suffered from negative publicity and, in fact, there was a marked tendency to do away with breakfast altogether. Fortunately the situation has now been reversed, he said.

He said the results of such advertising, which would have to be on a regional basis, would only be seen in the long term.

He said there was a shortage of eggs in the Free State and Transvaal,

partly due to the increased demand brought on by the sudden leap in meat prices last year.

'Only by increasing the demand can we ensure that the egg price remains realistic in the long term,' he said.

He said Natal had a reserve supply of eggs, part of which was exported to the Transvaal.

'But we still have a reserve capacity as a result of the 1978 surplus. This means that there are numbers of spare hen sheds which are not fully utilised at the moment. Once the demand increases it will cost us very little extra to fill them,' he said.

Mr. Leitch said advertising was also necessary to encourage black people to increase their consumption of eggs.

'Eggs are still the cheapest form of protein,' he said.

Mr. Leitch warned that a price increase was due in May. New rail tariffs and the increased price of grain had to be covered, he said.

Hint of an egg shortage

EAST LONDON — Ciskeians and East Londoners can brace themselves for a shortage of eggs between May and July, an egg producer hinted here yesterday.

Mr S. D. B. Ryan said there was no real shortage at present and he was able to supply all his customers.

Mr Ryan said there had been a shortage in December and January and he had difficulty in meeting his orders.

He was, however, expecting a shortage from May to July due to an increase in consumption as a result of red meat price hikes.

Mr Ryan said suppliers were limited to a certain number of laying hens by a government permit system.

Although he applied for an additional permit to keep more hens it was not granted to him, he said.

"As a producer I cannot understand why the government will not allow me to keep additional laying hens for the purpose of egg production to provide for the worsening situation.

"Eggs are and have been imported from America and yet we as South African farmers cannot keep more laying hens".

Mr Ryan said he supplied eggs to the Ciskei, King William's Town and East London.

Yesterday a quick check through two city centre supermarkets showed they were well stocked with eggs. — DDR

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6/3/81
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mean that living on the farm and working in the town is practically impossible, even if jobs are available, so the women are faced with the choice of working for the farmer or not working at all. They are a captive labour force for the farmer (or his wife) and this is reflected in wage rates which are probably lower even than those of most domestic workers in cities.

16-million US eggs hit City - with no break

Staff Reporter

MORE than 16-million eggs hit Cape Town yesterday — without a break. At least that was the impression gained by newsmen while they watched harbour workers at the delicate task of unloading 1,36-million dozen eggs shipped from the United States to meet the national egg shortage.

An Egg Board spokesman said yesterday that the eggs, destined mainly for the Transvaal, represented 0,75 percent of the country's annual consumption. They were a "once only" purchase, imported to meet the increased egg demand.

The rise in demand was due to the "search for alternative protein" on the part of consumers hit by recent price increases of



More than other cargo, this shipment of eggs requires a lot of concentration when loading on to a trailer.

primary protein foods. The estimated cost of the imported eggs was 18 cents a dozen above local costs.

This would be borne by the Egg Board and not the consumer, the spokesman said.

He added that in times of surplus, the board exported eggs at a greater loss, 33 cents a dozen, than the premium (18 cents a dozen) at which it imported, in times of shortage. Hence the present position was preferable to the surplus situation.

The senior checker of the Railways at 4 South Arm, Mr Russie Griebenow, said yesterday that he was a bit nervous: "It is the first time that we have loaded real eggs and we have to be a lot more careful," he said. Previously he had loaded eggs in a powder form only.

The eggs were shipped from Tampa in Florida and arrived in Cape Town early yesterday aboard the ship Maya.

"We hope to have loaded and transported 28 000 of the 1,36-million eggs to the Elgin Fresh Fruit Distributors, about 1½ hours' drive away, by 8 pm this evening," Mr Griebenow said.

Cartons of frozen eggs were placed on wooden pallets, "fork-lifted" on to open trailers, each carrying 800 cartons of eggs, and finally tied down with tarpaulins.

"They are still frozen and the tarpaulins will keep the heat at bay on the short journey to the distributors," Mr Griebenow said.

Millions of eggs arrive in SA

DD 10/2/81
3-eggs

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CAPE TOWN — More than 16 million eggs, destined mainly for the Transvaal, hit Cape Town at the weekend without a break.

At least that was the impression gained by newsmen while they watched harbour workers at the delicate task of unloading 1,38 million dozen eggs shipped from the United States to meet the national egg shortage.

An Egg Board spokesman said that the eggs represented 0.75 per cent of the country's annual consumption. They were a "once only" purchase, imported to meet the increased egg demand.

The rise in demand was due to the "search for alternative protein" on the part of the consumers hit by recent price increases of primary protein foods. The estimated cost of the imported eggs was 18c a dozen above local costs.

This would be borne by the Egg Board and not the consumer, the spokesman said.

He added that in times of surplus, the board exported eggs at a greater loss, 33c a dozen, than the premium (18c a dozen) at which it imported in times of shortage. Hence the present position was preferable to the surplus situation.

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Cartons of frozen eggs were placed on wooden pallets, "forklifted" on to open trailers, each carrying 800 cartons of eggs, and finally tied down with tarpaulins. — SAPA.

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RDM 10/3/81 (3 eggs) 5/4

SA eggs beat imports, says chef

Own Correspondent

CAPE TOWN. — South African eggs came out tops yesterday when an international chef compared them to some of the 1,36 million dozen imported American and Canadian eggs which arrived in Cape Town earlier this week.

Mr Bernhard Ruttinger, originally from Germany and resident chef at 'The Inn On The Square' in Cape Town, has had 19 years culinary experience. He said he would never buy

American eggs for the restaurant as they lacked flavour, quality and were also very watery.

As he broke some American and South African eggs into separate frying pans yesterday he said: "I told you so, the American eggs are very watery."

Mr Ruttinger, who worked for six years in America, said: "The Americans themselves do not know the difference between a good and a bad quality egg."

He said the lack of quality and flavour in the American eggs was due to them being frozen and transported over such a long distance.

Mr Ruttinger said South African eggs were very rich and full of flavour, comparing well with Swiss and Dutch eggs. British and German eggs, however, were like the "watery American eggs."

The American eggshell is pure white and the yolks are also considerably paler than those of South African eggs.

A spokesman for the Egg Control Board said the shipment would probably be the only importation of eggs this year.

"The cause of the increased egg demand is due to the recent price increases of other primary foods," the spokesman said.

The South African consumer will not have to pay any more for the imported American eggs because the Egg Board will pay the difference of 18c a doz.

Egg Board

~~Board board~~

accused of

Dryus

10/3/81

3 eggs

bad control

Consumer Reporter

A SHORTAGE of eggs which made it necessary to import 16 million from America this week is due to bad planning by the Egg Control Board, says a Paarl egg producer.

Mr T Pasterini of Windmill Eggs said the board had caused the shortage by putting too severe a limit on the number of birds producers were allowed to keep, and failing to foresee a huge increase in consumption.

'We have empty cages while they are now importing eggs,' he said.

BENEFIT

He thought the industry would benefit by having no controls at all 'so that free enterprise can operate properly.'

But the chairman of the board, Dr. A H Olivier, said the board could not possibly have foreseen the phenomenal increase in egg consumption since July last year.

Since then consumption had increased at a rate of two or three percent a month because the lower-income groups now had more money to spend on food while a big price rise had caused consumption of red meat to fall.

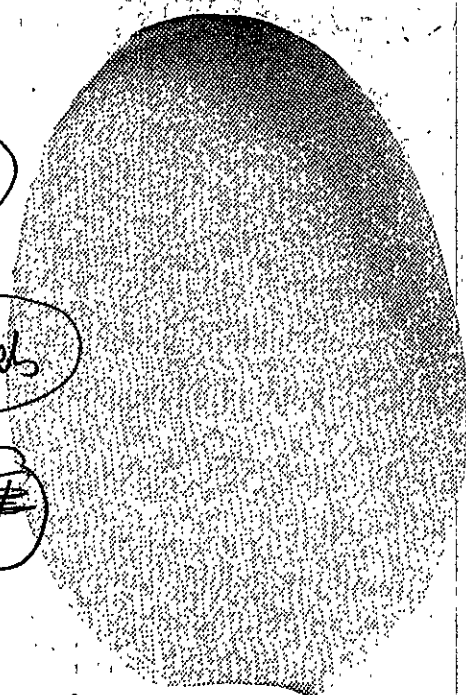
'What this means is that South Africans ate 700 000 more eggs a day in December than they did the previous June,' he said.

The board had no alternative but to order the number of laying birds kept by producers to be reduced in 1979 because enormous surpluses were being produced which had to be exported at a loss.

In the past year, as consumption increased, permits had been issued for an additional 900 000 birds.

Mr Pasterini said there was no shortage of eggs in the Western Cape, but local producers were sending some to the Transvaal to alleviate the shortage there.

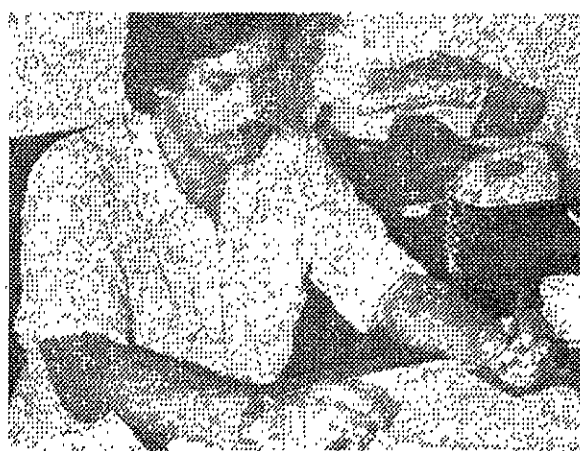
S. Tribune
15/3/81
The ~~3 cent~~ ~~boards~~
extra
large
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Consumers will foot the bill for those US imports

By TONY SPENCER-SMITH

EGG PRODUCERS will be able to make a big financial killing out of this week's massive consignment of eggs from America — and the consumer will have to foot the bill.



Sean Ryan . . . It's just crazy

The Egg Control Board is selling the eggs to producers as large eggs — but about 20 percent of them are actually extra large.

The eggs — more than 16 million — were landed at Cape Town last weekend from Florida.

They will go to the Transvaal and Free State where there are shortages.

The general manager of the board, Dr Bertus Olivier, said this week that while the eggs had been imported and paid for as large eggs, about one in five of them was extra large.

He admitted producers would be getting a bargain — but said they deserved it after having "a very hard time for four or five years."

BIG DEMAND — BUT SEAN NOT ALLOWED TO SUPPLY

By Ken Daniels

THE Egg Control Board is refusing to supply an East London poultry farmer with permits to increase his egg production while the country is facing its worst egg shortage in years.

The owner of the Bonacord Poultry Farm in East London, Mr Sean Ryan, is furious that the Egg Control Board is importing 16 million eggs from the United States and Canada while he has been trying to get permits to keep more laying hens since April last year. Every application has been turned down.

"I just can't understand how they can import eggs while local farmers are being refused permission to produce them. It's just crazy."

Mr Ryan, whose family has been in the egg and poultry business for more than 20 years, said the Egg Board is guilty of a serious miscalculation.

"They are supposed to be looking after us, small producers but it seems they are doing the very opposite. When the Egg Board was started in 1953 it consisted of a government official, producers and consumers.

"It is now run by salaried clerks who have my business in their hands."

Mr Ryan applied for a permit to keep 68 000 laying birds in 1978, but was granted a permit to keep 33 000.

He said that in January and December he could not meet the demand and in March last year he applied for a permit to increase the number of hens on his farm.

"They refused me point blank and gave no reasons for the failure of the applications. I appealed to the Minister of Agriculture and a Cape MP but still had no success," he said.

The general manager of the Egg Control Board, Dr Albertus Olivier, said eggs had been imported because of a shortage of eggs in the Transvaal and the Free State.

"But there are enough eggs in the Eastern Cape. If we allow Mr Ryan to increase his production there will be a surplus within a few weeks."

"The imported eggs will tide us over until the Transvaal poultry farmers start increasing their egg production."

Dr Olivier denied that Mr Ryan had not been given reasons for the rejection of application. "He has been told why his applications for permits have failed, but he is not happy and is now trying to use the Press and public opinion to further his aims," he said.

Mr Cedric Graham, a member of the Egg Control Board in the Eastern Cape said the supply of eggs in the area was balanced but tended towards a surplus.

"But fortunately some of the larger producers have been able to transport supplies to the Transvaal which has kept the market stable."

Contract

On that basis, more than three million of the eggs are in this more expensive category.

Dr Olivier explained: "The Americans had to supply the eggs by a certain date according to the contract and had to use extra large eggs to make up the consignment."

"As we do not have the facilities to regrade the eggs ourselves we will just be selling the eggs to the producers as large eggs."

"So it will pay the producers to regrade all the eggs and sell the big ones at the extra large price."

He said: "The system of occasionally importing eggs makes much better economic sense than operating on a large surplus and exporting eggs at great cost."

White-shell

"But we have no plans at this time to import more eggs as this large consignment should be enough to get us through the shortage."

He said that the American eggs were unlikely to make their way into the shops of the large towns and cities.

"Most will probably go to large scale buyers like the Army, hotels and so on."

"But some will probably be sold in cafes in the remoter areas."

"All the imported eggs are white-shell, and many South African producers have built up a strong market for brown-shell eggs, and would not want to tamper with that."

Grading

He said the American eggs were also larger on average than South African large eggs because, while the category for large eggs in this country was 51 to 61 grams an egg in America it was 54 to 61 grams.

"That doesn't mean American hens lay larger eggs, it's just a different grading system."

He said consumer tests conducted in Pretoria by the board had shown that they tasted no different to South African eggs.

"That stands to reason when you know that a large percentage of our birds are descended from American ones, and their diets are almost identical in the two countries."

Nov 1980 examinations, continued

COURSE DESCRIPTION	EXAMINATION RESULT SUMMARY										TOTAL		
	1	2	3	AS	AT	18	12	12	12	12		3X	O/S
202205 BUSINESS SCIENCE II	1	1	46	28	0	0	0	0	0	0	0	0	77
202206 PRINCIPLES OF FINANCE-1/2 COURSE	0	0	0	1	0	0	0	0	0	0	0	0	1
202302 APPLIED BUS STATISTICS I	9	9	28	14	7	0	0	0	0	0	0	0	68
202303 ECONOMIC STATISTICS	0	1	9	7	0	0	0	0	0	0	0	0	17
202304 COMP INT & ANNOT CERTAIN	7	4	3	5	0	0	0	0	0	0	0	0	23
202305 PERSONNEL MANAGEMENT I	0	1	6	10	0	0	0	0	0	0	0	0	23
202306 MARKETING I	1	1	16	3	0	0	0	0	0	0	0	0	21
202308 BUSINESS SCIENCE III	0	5	24	21	0	0	0	0	0	0	0	0	5
202309 BUSINESS FINANCE I	0	0	10	5	0	0	0	0	0	0	0	0	7
202401 MARKETING II	1	4	7	0	0	0	0	0	0	0	0	0	3
202402 ACTUARIAL SCIENCE I	4	1	3	5	0	0	0	0	0	0	0	0	6
202403 ACTUARIAL SCIENCE II	1	4	5	6	0	0	0	0	0	0	0	0	7
202409 PERSONNEL MANAGEMENT II	0	0	7	6	0	0	0	0	0	0	0	0	4
202410 BUSINESS FINANCE - PRE 1978	0	2	4	3	0	0	0	0	0	0	0	0	3
202415 APPLIED BUS STATISTICS II	1	0	3	2	0	0	0	0	0	0	0	0	8
202419 BUS 201 INDUSTR MANAGEMENT -3	0	3	8	10	0	0	0	0	0	0	0	0	23
202422 BUSINESS POLICY I	3	2	23	1	0	0	0	0	0	0	0	0	18
202423 BUSINESS POLICY II	1	7	18	8	0	0	0	0	0	0	0	0	0
202501 BUSINESS SCIENCE MASTERS	0	0	0	0	0	0	0	0	0	0	0	0	0
202901 BUSINESS SCIENCE PH.D.	0	0	0	0	0	0	0	0	0	0	0	0	0
203701 ADV. DIP BUS ADMIN(FULL TIME)	0	0	0	0	0	0	0	0	0	0	0	0	0
203702 ADV. DIP BUS AD(P/T)(1ST YR)	0	0	0	0	0	0	0	0	0	0	0	0	0
203801 MASTER OF BUS. ADMIN (FULL TIME)	0	0	0	0	0	0	0	0	0	0	0	0	0
203804 ENVIRONMENT OF BUSINESS	0	0	0	0	0	0	0	0	0	0	0	0	0
203829 MBA(PART TIME)(1ST YEAR)	0	0	0	0	0	0	0	0	0	0	0	0	0
203901 BUSINESS ADMIN PH.D.	0	0	0	0	0	0	0	0	0	0	0	0	0

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COMMERCE

EL supplier to raise egg price by 5c

DD
29/4/81
eff

EAST LONDON — At least one major supplier here is to increase the price of eggs to retailers by five cents a dozen from Monday, May 4.

A spokesman for Nu-Laid Eggs here said yesterday the increase had been forced on them by a rise in the price of fishmeal, rail tariffs and maize.

Asked whether this had been decided by the Egg Board, he said he was not aware of any ruling by the board on the matter and added: "Every area's production costs differ."

He said the last increase was on February 2 and since then they had faced increased feed costs which left them no option but to increase.

He thought they would be able to maintain the prices at the levels to be introduced for quite a while but this depended on whether other com-

modities connected with the industry — especially the feed side — did not increase in price.

"Feed costs make up from 70 to 80 per cent of our costs and because they form such a large part of our cost structure our prices depend much on their levels," the spokesman said.

An official from another egg producer said she was not aware of any impending increase.

"But that does not mean there is not going to be an increase. I am only not aware of it yet. It depends on the government," she said.

"In the past the government has telephoned us at 8 am on the day the increase becomes effective to tell us that the price is going up."

She said if the company had pushed up the price on its own they would have been aware. — DDR

Monopoly in egg industry claimed

cf 8/5/81 3 eggs

Staff Reporter

A KLIPHEUWEL poultry farmer told the Cape Town Supreme Court yesterday that a cartel of feed companies had taken control of the egg industry, and controlled the Egg Control Board.

He is fighting a move by the board to force him to cut the number of his egg-producing hens.

In papers before Miss Justice Van den Heever, the farmer, Mr Allan William Stuart, said he supplied numerous supermarkets and retail outlets with eggs and if he were forced to cull his stocks of 40 000 laying hens, as ordered by the Egg Control Board, the orders would then go to the National Egg Producers Co-operative.

Mr Stuart said that the result of a current investigation under the Monopolies Act into the poultry industry could show that "Nepco is a marketing cartel in the guise of a co-operative, and not a genuine co-operative."

Mr Stuart has applied to the court for an interdict to restrain the Egg Control Board from enforcing a permit for him to keep fewer hens pending review proceedings which he intends to institute.

He is also asking the court to restrain the Egg Board from enforcing the permit pending the outcome of the commission of inquiry into alleged monopolistic conditions in the poultry industry.

In papers before the court,

Mr Stuart, who is director of Dundarach Poultry Farm, said he had been limited by the Egg Control Board to keeping 16 530 laying hens for egg production and 18 130 hens for chicken production.

This, he said, made it impossible for him to produce eggs economically and he had been warned by inspectors of the Egg Control Board that unless he culled his stocks of nearly 40 000 chickens he would be prosecuted.

He said that in the years between 1960 and 1978 a cartel of feed manufacturers had taken control of the industry.

His grandparents, who established the farm in 1922, had started farming chickens for egg-laying. However, during the 1940s and 1950s the farm acquired a prominent name for poultry breeding.

Control

During the 1960s breeding grew to the point where they were selling a million poulets a year. This industry peaked in 1978 but the market declined because of the major feed companies who took over many of his customers and began to supply the industry from imported stock.

For economic reasons and after the Egg Control Act of 1970 was lifted his company then reverted to egg production.

In 1978 egg production control was again introduced. At that time he had 17 157 laying hens

and 11 718 breeding hens on his farm. The low figure was because he was changing over to commercial egg production and marketing. There had been a very serious egg price war.

He said the re-introduction of egg control was because of a serious over production of eggs in the country, particularly in the Cape which he believed was largely caused by the activities of the major feed companies.

Describing the extent to which the major feed companies controlled the whole poultry industry Mr Stuart said they were largely instrumental in forming the National Egg Producers Co-operative, known as Nepco, which they controlled.

"Nationwide they have about 40 percent of the laying hens in the country. In the Western Cape this figure is about 50 percent and they market approximately 75 percent of the nation's egg production," he said.

Mr Stuart alleged that the major feed companies control the Egg Control Board.

He said the chairman of Steinbro Farm Eggs, a wholly owned subsidiary of Tiger Oats, and the vice-chairman, Dr E Brock, was the manager of Nulaid, a subsidiary of Premier Milling. The chairman of Nepco was also on the board.

"I have seen a confidential inter-company master plan detailing plans by the major feed companies to gain control of the whole industry," Mr Stuart said.

He said the master plan set out methods of achieving a countrywide monopoly in egg production and marketing. This included the lowering of egg prices to sub-economic levels, forcing the small producers out of the industry, the acquisition of a still greater "corner" of monopoly in the market and thereafter a vast increase in egg prices.

Events

Since 1979 the course of events had run true to the master plan of the feed companies, he said. The egg price was reduced by eight cents. Production cost of a dozen eggs was an average of about 58 cents.

As the wholesale price of prepacked large eggs was 49 cents it was clear that reduction of the price offered a serious threat to producers who were bound to produce at a loss, he said.

Mr Stuart said that in 1979 inspectors of the Egg Control Board threatened prosecution if he did not cull his stocks of 40 000 hens. This quantity, he said, was the minimum which allowed him to cover his overheads and make a reasonable profit.

He said the reason the feed companies and Nepco insist he keeps only a very limited number of hens was because he supplied numerous outlets with eggs and if he were forced to cut down his stock, the orders would then go to Nepco.

"It is well known, however, that the feed companies are maintaining laying hens to a large extent in excess of their permits," he said.

Affidavit

In a replying affidavit the general manager of the Egg Control Board, Mr Albertus Hendrick Oliver, said Mr Stuart's farm had never had more than 34 000 egg-laying hens on it at any time.

He supplied figures to show that Mr Stuart's egg-laying stock had not increased significantly till between July and September 1979 when he had exceeded the permitted number of chickens.

He said Nepco controlled 71 percent of egg sales in South Africa and of these only about half were supplied by the feed companies. Fifty percent of the Egg Control Board's membership was completely independent of both the feed companies and Nepco.

The case continues today. Mr L R Dison, SC, assisted by Mr J Schoombee and instructed by Reilley of Cape Town and Faure and Faure of Paarl appeared for Dundarach Poultry Farm. Mr L C C Haremsse, SC assisted by Mr J C Smit and instructed by the Deputy State Attorney, appeared for the Egg Control Board. Mr Smit appeared for the Minister of Agriculture who was named as a second respondent.

Shock egg price rise for Cape

CT 9/5/81

3 eggs

~~2/4~~

By GORDON KLING

THERE is to be a shock increase in the price of eggs in the Cape in one of the early spin-offs from the maize-price rise.

And there is growing discontent among producers at what they see as Egg Control Board mismanagement.

The general manager of the board, Dr A H Olivier, yesterday rejected complaints put to the Cape Times, but said a meeting would be convened in Pretoria next week to deal with many of the issues raised.

The largest egg producer in the Western Cape yesterday confirmed that it had already advised customers of a 4c-a-dozen price increase which could be expected to work down to the consumer by Monday. Although there is no price agreement at producer level in the industry, at least one other producer yesterday announced a 4c rise and the move is expected to be followed by most others.

Producers maintain that the rise could have been avoided if

the Egg Board would waive the 4c-a-dozen levy intended to provide for losses from the export of surplus eggs, although they said the board had also made a loss on the import of eggs. After years of deficit, they believed the fund serviced by this levy now stood at near R6 million, a level at which the levy was intended to be scrapped. A scarcity of eggs on the domestic market for several months has obviated the need to export.

Conceding that the stabilization fund now stood more than R6 million in the black, Dr Olivier contended that this did not mean the levy had to be stopped, that it could not be easily altered, and that it was possible that eggs could soon be exported at a loss again.

Producers were unhappy about the import of some 16 million eggs from the United States and Canada earlier this year.

Dr Olivier said a loss of about R250 000 had been budgeted for the operation. About 25 percent of the eggs had proved suitable for table consumption during a period of about four weeks, and

after that they had been pulped for use by bakeries and other commercial users. The pulping had permitted higher-quality South African eggs to be sold for table use.

"It is easy to produce eggs," said Dr Olivier, "and easy to produce a surplus, but you have to be able to sell. We get no financial assistance from the government on export losses. Two years ago these losses were R7 million, last year about

R3 million and this year it won't even be R1 million so we're doing our job."

If the farmer produced a surplus, the consumer indirectly paid for the losses because the levy needed to finance them was incorporated in selling prices.

Instead, the board tried to balance supply and demand which was currently in virtual equilibrium, but which often required substantial periods of surplus to provide for times of scarcity. Undue fluctuations either way naturally required exports or the need to import.

Producers, however, were critical that the government was allowing the higher-priced, and record surplus maize crop to be exported at a loss when eggs were being imported.

Dr Olivier said the recent 9,5 percent maize price increase would add 1,5c a dozen to the egg price with the remainder of the new increase being required to compensate for higher costs including labour, electricity and packing.

The board had no control over prices but its policies were similar to those in Canada, Australia and New Zealand. In the EEC countries the state subsidized export losses while in the US there was a free market but it was so huge that a shortage or surplus in one state could be counteracted by the opposite in another.

"At the moment we have good consumption of eggs because of the economic boom, but if that changes later this year maybe we'll end up losing twice as much this year on exports as last."

Drama

EGG BOARD

12 MILLION PROCESSED BEFORE THEY GO ROTTEN

St. Lawrence 10/5/81

30 eggs

Now there's a glut after big US import

BUNGLE

By TONY SPENCER-SMITH

THE Egg Control Board's huge American egg import deal has gone rotten. It may have to re-export most of them in processed form at a loss that could run to hundreds of thousands of rands.

This news follows the announcement that the wholesale price of eggs is to rise by four cents a dozen. Eggs now cost from 39 cents to 43 cents for six.

In March the board imported more than 16 million eggs — at about 15 cents a dozen more than the local production cost — to offset a shortage. The consignment of eggs therefore cost about R200 000 more than the local product.

But this week the board's general manager, Bertus Olivier, admitted that the board had been able to sell only 12 000 of the 45 000 cases of table eggs.

The remainder — about 12 million eggs or three-quarters of the American consignment — have been processed to stop them going rotten.

The board will try to sell these processed products in South Africa at a loss. Those that cannot be sold here will be exported at a loss of about R9 a case to the Far East, says

CCS 1 (Continued)

4. Depreciat	<p>The shortage was not nearly as acute as the board thought. In addition, the imported eggs had white shells, the market demand is for brown shells.</p> <p>Dr. Olivier said that because the eggs had not been sold as quickly as expected, their quality had deteriorated.</p> <p>"You reach the point where you have to do something or you lose the eggs completely."</p> <p>"We did not want to get a bad egg on the market. If someone had bought a rotten egg imported from America, the shock and the damage to the egg industry and the Egg Board would have been incalculable."</p>	<p>R 39 800</p> <p><u>7 800</u></p> <p>32 000</p> <p><u>55 600</u></p> <p>R 23 600</p> <p>R 30 200</p> <p><u>8 700</u> (see working 5)</p> <p>R 21 500</p> <p><u>38 700</u></p> <p>R 17 200</p>
5. Calculation	<p>The chairman of the board, Eric Karlsen, said the board originally planned to ship in 30,000 cases of eggs from America but went for 45,000 cases when it discovered they could be transported for the same freight price.</p> <p>He admitted the board had been out in its projection of the shortage.</p> <p>One must assume the plant had a better projection of the shortage. 0 was scrapped and that this depreciation of Lad Ltd at 30.6.04.</p>	<p>removed by Lad Ltd</p> <p>R 30 200</p> <p><u>21 500</u></p> <p>R 8 700</p>
6. Net profit on	<p>People may criticise what we've done, but it was all to allow for the projected shortage. We work on information fed to us. We don't take figures out of the air. The indication from farmers was that there would be a drastic shortage."</p> <p>He said there was a demand for processed egg products. The loss in having to sell the eggs in processed form had not been worked out yet.</p>	<p>ets</p> <p>R 14 800</p> <p><u>4 900</u></p> <p>19 700</p> <p><u>3 800</u> building</p> <p><u>R 15 900</u></p>
7. Calculation of	<p>Page 5</p>	<p>current year's profits</p> <p>R 9 000</p> <p><u>2 400</u></p> <p>11 400</p> <p><u>600</u></p> <p>R 10 800</p>

CHICKENFEED CONSPIRACY

8. Increase in Outside/...

9 (1978)
Egg Board
reduces 1/5/78
its losses

By Hannes Ferguson
Farming Correspondent

The Egg Board believes it has cured its headaches.

The general manager of the board, Dr Bertus Olivier, said that during a series of board meetings it was decided that stabilisation of the supply of eggs into the market would be intensified so losses resulting from exports or imports would be kept to a minimum.

In 1978/79 the Egg Board had suffered a stabilisation loss of R6,8-million but this year the loss had already been brought down to about R1-million.

To even out the supply of eggs to the market during the off season, and thereby prevent undue price increases, 16 million eggs were imported from America in March this year. This represented less than three days of South African egg consumption.

A shortage of processed egg products had been met by processing about 70 percent of the imported eggs.

The board had submitted new floor prices for eggs to the Minister of Agriculture after rises in prices of maize and oil feed cake and a fall in the price of culled chicken.

Dr Olivier was confident the policy of stabilisation would succeed.

Huge egg project in Lebowa

By **LEN KALANE**

A MAJOR egg production scheme has been launched in Lebowa with the aim to curb the shortfall of eggs in the homeland as well as to stimulate development in the area.

This first stage of an egg production scheme requires an investment of more than R2-million, aiming at an additional production of more than five million dozen eggs a year.

The next phase will push the investment past the R5-million mark, while developing the scheme to its full potential in the medium term could involve as much as R25-million.

This new project of the Lebowa Development Corporation Ltd and Lund Farms, the biggest egg supplier in the Northern Transvaal, will initially involve an expansion of existing egg production units belonging to Lebowa's Department of Agriculture.

The egg unit at Sebayeng, east of Pietersburg, will be used as core and R485 000 will be spent on expanding the capacity to 72 000 laying hens. Presently the eight units at Sebayeng can accommodate 56 000 hens.

In spite of this large development, the scope of egg production is enormous. However it is expected that the additional production brought about by the first phase of this scheme, will only make three more eggs per head per year available to the de facto population of Lebowa.

Approval has already been given for the erection of an egg production unit at Dikgale near Pietersburg. About R1-million will also be invested in this project, which will accommodate 56 000 hens. Another two productions are planned for the future.

Pullets will be reared at Matlala before being transferred at the age of 20 weeks, to the various egg production units. A possible surplus of pullets will be made available to interested black farmers. The poultry farms at Sebayeng and Dikgale will be completed at the end of 1981.

It is planned that these units should serve as core units for the training of Lebowan farmers who will be settled in the immediate area and will draw on the expertise, services and marketing available from the mother unit. A similar approach is being followed in training farmers in other areas of agriculture, for example, with the production of cotton and coffee.

Egg Board raises quotas

NY
10/7/81

3 eggs

10 pc increase

'should relieve shortage'

Agricultural

Reporter

THE Egg Control Board has granted Natal producers a 10 percent increase in production which is expected to end the egg shortage in the province by September, the chairman of the Commercial Poultry Producers Association, Mr Noel Leitch, said yesterday.

Mr Leitch said Natal was experiencing a 3 percent shortage at present but the shortage was not expected to extend beyond a month or so.

Natal producers and the Western Cape should then be in a strong enough position to start supplying eggs to the Transvaal and Free State by the end of September, he said.

The Egg Board introduced the permit system in

1978 to restrict the number of birds each producer can keep, to cater for the vast surplus which existed at that time.

With the red meat price hikes in October last year, the egg consumption rocketed by 22 percent in six months, creating a high demand for eggs which resulted in a nationwide shortage.

Since last year the Egg Board has granted producers production increases of 7 percent in October, 6 percent in January and now an additional 10 percent to keep abreast with the increased demand.

Mr Leitch said there was still a slight shortage in Natal because of an annual seasonal shortage in autumn.

CHEMICAL

P M Salmon

Fourth Year (Gold Medal)

Miss N C Davidson

Third Year (Silver Medal)

Miss G C Littlewort

Second Year (Bronze Medal)

of the 2nd, 3rd and final years.

For the best student in each

Corporation Medals

FACULTY OF ENGINEERING

TALKING SHOP

By COLLEEN SHEARER



Please eggsplain

S. Tribune 2/8/81

THE EGG BOARD EXPORTS AT A LOSS, YET MANY SOUTH AFRICANS SEIDOM GET TO TASTE AN EGG



Unbeatable eggs . . . if you can afford them

THE Egg Board . . . a big yolk or a fair and efficient control body?

Fair and efficient when we export eggs — the richest natural source of protein there is — at a loss and so many of our countrymen seldom get to taste one?

No wonder many consumers get an evil pong at the mention of the word Egg Board.

But the answers advanced by general manager of the Board, A. H. Olivier, seemed so fair and logical.

Let's study these answers and at the same time air our misgivings and see which way the scales tilt.

The Egg Board comprises eight paid members, five of them producers, and here again we have that old complaint of producers getting their own prices. Yet when one reflects on, say, the three major soap powder manufacturers — Colgate, Palmolive, Henkel and Lever Bros — one finds they too set their own prices for we know only too well how they hunt in packs.

This seems to nullify my reservations about control boards being statutory bodies — the same economics prevail with private companies, and even farming co-operatives like bacon factories, where again the main producers keep close company pricewise.

The administration cost of the Egg Board for the financial year ending June 30, 1981 was R1 121 896. This money came from a 4-cent levy on a dozen eggs. But only 0.75 cents a dozen was used to run the Board.

This means the Board cost the consumer 0.06 cents an egg.

Perhaps this is an oversimplification because producers and handlers are involved in costs in terms of time and trouble in applying for permits and so forth. However, it is meant only as a steady guideline.

The balance of 3.25 cents a dozen goes into a stabilisation fund. This is aimed at keeping a pool of eggs — a constant supply. When the market is oversupplied the Board buys in surplus eggs from producers at the floor price which is 40 percent lower than the ruling market price.

The price of eggs is not controlled so obviously the producer will try to sell his supplies to the retail sector first.

Why not drop prices and so sell off surpluses instead of exporting at a loss? More political hamstringing here — we export to Taiwan and Japan — but the EEC countries represent fierce competition because their exports enjoy a subsidy.

In affluent societies there is a limit to the consumption possible so prices are insensitive and in this respect we, in urban areas, are in line with most Western countries. However, we have a vast rural population virtually untapped but the problem appears to be the Achilles' heel of all big business — how to distribute economically?

The now disbanded Nepco claimed that if every South African ate just one egg a week there would be no surpluses. Big business has the brains to expand profits but seems helpless to cope with distribution.

Nevertheless the Egg Board appears to have some progressive ideas in the pipeline — unfortunately not to be divulged until about October. I am heartened by their plans which are basically to process eggs, separated and whole, to make distribution possible in a form that will not deteriorate.

As eggs are a valuable source of protein and iron, this is great news, especially as we will not then have to export at a loss.

So I shall be knocking at the Egg Board's door again on October 1.

A current Egg Board campaign to stimulate egg consumption is advertising on five Radio Bantu channels and I was told that this is creating a growing demand which is expected to accelerate within a year. Dr Olivier points out that we must first create a demand and all else will follow.

Other points made by Dr Olivier were:

• The normal wholesale price is designed in conjunction with the Consumer Council. (This was a surprise);

• Production costs are related to the above;

• The producers charge dealers in the rural

areas 1 or 2 cents more than in the urban areas;

• Marketing is free and can offer discounts. (Haven't noticed it).

• There is only control in the number of poultry kept and those farmers with more than 1 999 birds must have a permit to produce eggs;

• The price of eggs is linked to the artificial price of maize. (Yes, that's a sore point).

On this last point, since 1975 the price of samp has risen 181 percent and the price of eggs by 110 percent whereas Talking Shop's inflation rate on food items has risen just over 100 percent. So the egg producers have done quite well.

One kilogram of eggs (that is 18) costs about R1.20 and this represents excellent value for money and nutrition.

The Board sees its function as one of central planning — to have superior quality eggs available in mass groups preferred by consumers; to provide a surplus so that the market price is "honest" and not a price determined on a cost basis.

The floor price is set by the Board at a level of cash production cost of eggs at the farm gate and covers only production costs as far as feed and labour are concerned. (So why do eggs on some farm stalls cost more than those in supermarkets?).

In sophisticated economies with capital intensive farming, central marketing has become the most logical exercise because small farms simply would not be able to sell their produce economically. The Egg Board does try to fill this need but such a highly perishable product is difficult to handle without problems.

One can only hope, therefore, that the Board's plans for the future overtake time and that we see a productive policy in operation SOON which will benefit ALL South Africans, especially those who desperately need this vital source of protein. And this hope extends to no exports at losses.

THOUGHT FOR THE WEEK: The Egg Board costs just over R1 million a year to run. But to feed and keep pass law offenders in prison costs about R2 million a month. Is there egg on our faces???

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5/10/20/10/81
Eggcess may go cheep

Own Correspondent

3 eggs

MARITZBURG — Egg supplies have see-sawed again and there is now a surplus of 200 000 dozen a week.

Mr Dawie Gouws, the board's deputy general manager, said the boom last year sparked off a huge increase in consumption and the traditional surplus had evaporated by January this year.

Some Transvaal markets could not be satisfied, and to try to equate production with demand the board granted permits for an additional 1,5-million laying hens.

"As often happens in free market conditions, the under-supply was then followed by an over-supply of hens," Mr Gouws said.

Local egg suppliers 'squeezed'

f 23/10/81
3 eggs

Staff Reporters

CONSUMERS could almost hear the price of eggs dropping this week, but their delight at the 50 percent drop was not shared by local egg suppliers.

Several farmers, who supply eggs to the Western Cape area only, said this week that they were being squeezed by the giant national suppliers who wanted to capture a bigger slice of the market.

Premier Milling was the first to drop its prices this week, forcing the rest of the local producers to follow.

Checkers announced on Wednesday that large eggs would be sold at 44 cents a dozen after the general price stood 80 cents a dozen at the beginning of the week.

'So fluid'

A Checkers spokesman said "the market is so fluid at the moment we will be adjusting constantly to meet the prices offered by other chains".

The market was expected to be back to normal by Monday.

Yesterday general prices dropped even further, with the Pick 'n Pay Hypermarket selling all grades at 39 cents a dozen and their supermarkets dropping the price to 38 cents a dozen.

A spokesman for the Grand Bazaars chain said the firm would be selling large eggs at 39 cents a dozen and medium for 38 cents a dozen.

'Usually shortlived'

He did not expect the situation to last as "egg price wars are usually short-lived".

An independent source said that two national suppliers, Premier Milling and Tiger Oats, controlled about 50 percent of the Western Cape market.

Together with the Tongaat group in Natal they used to form the National Egg Producer's Co-operative (Nepeco) till the co-operative was closed last year.

The moves are seen by some small producers as an attempt by the national suppliers to price their local competitors off the market.

"They want us to cut back further because this is the region where they have the least measure of control," a local supplier said.

Dr Eugene Brock, area manager for Farm Fare, Premier's poultry division, denied the allegations, saying the company was not in the industry to put anyone else out of business. He said he could not comment further.

Another local producer who did not want to be named, said one of the national suppliers had dropped the price of eggs because of infighting.

"The large producers want to get rid of some of the local producers who are selling well in the Western Cape."

Taking over

The marketing manager for Checkers, Mr Jan Mouton, agreed that the price drop had come about because regional companies were taking over the market share of the national suppliers.

The general manager of the Egg Control Board, Dr Bertus Olivier, said the board would not interfere in the fight between the national suppliers and independent producers.

"Our job is to keep the market stable, which it is, apart from the Western Cape region. Suppliers in that area haven't got a very good record for being fair to each other because it's been an over-producing area for the last 30 years."

Egg prices to return to normal'

Argus 23/10/61

3 egg

EGG PRICES in the Western Cape will 'return to normal' from Monday as producers begin reducing the number of hens after the recent surplus.

In a Press statement today, the chairman of the Boland Poultry Producers' Association, Dr F M Freeman, said the surplus developed because eggs were no longer sent to the Transvaal.

After a shortage in the Transvaal, producers

there were given permits to keep more hens, and these had come into production.

'It was decided the only way to deal with this was to request the Egg Control Board to reduce the number of hens in the Western Cape so as to reduce the surplus to a manageable size.

'The cutback should solve the problem in the Western Cape, and prices will return to normal from Monday,' Dr Freeman said.

'Egg rise will hit poor'

3 Eggs, 100H
11/5/82

Pretoria Bureau

THE Consumer Council yesterday condemned the 6c a dozen increase in the price of eggs.

The council's director, Mr J Cronje, warned in a statement in Pretoria the increase would have a price multiplier effect on a wide range of other products.

The increase, he stressed, was excessive and would hit the lower income groups hardest.

In itself the price increase was not significant, but taking into account recent increases the cumulative effect would be inflationary.

It was a cause for serious concern that producers seemed to make no effort to curb inflation.

Cost adjustments were passed on to consumers, who were powerless to defend themselves.

The result was a constant whittling away of the purchasing power of earnings

which required a permit to obtain petrol outside normal trading hours.

These regulations had not been applied uniformly, malpractices had occurred, and motorists had been inconvenienced and subjected to time wastage, he said.

The present system had not resulted in the cancellation of trips but only in their postponement. An extra burden had been placed on already overworked administrative personnel, he said.

On the Reef the move was met with guarded reaction from organised commerce and industry, garage owners, and the Automobile Association.

Expressing their reservations, garage owners said control over the new system — with motorists paying a surcharge of R5 for each transaction — would be difficult as they would not know how many sales were made during the night.

"It would be impossible for management to know exactly how many people bought petrol during the night. An attendant could easily fiddle the number of R5 fees he receives," said Mr G Borr of Johannesburg.

However, the chairman of the Motor Industries Federation, Mr Jannie van Huyssteen, welcomed the move and said it would relieve the administrative burden on his staff. The R5 levy would also discourage motorists planning unnecessary trips.

The system will be controlled by invoices issued to motorists, which garage owners could check out against pump readings, Mr Van Huyssteen said.

Pretoria garage owners reacted indifferently to the announcement and pointed out that it would only benefit garages on major country routes to keep their staff after hours and over weekends.

Mr Gordon Teasdale, a garage owner in Lynnwood, said he could not see the object of the Minister's move. He would have to consider the overtime expenses before deciding whether to stay open after hours and at weekends.

Other owners thought the R5 surcharge was "steep" and would probably ensure that motorists only filled up during the daytime. They would, however, keep their filling stations open until about 8pm at first to see how much business was attracted.

In a statement last night, Assocom said it would have "preferred to have seen realistic review of fuel conservation measures — including speed restrictions — as a whole, rather than a series of ad hoc measures to handle particular problems".

The association expressed reservations on the practical implementation of the surcharge. Assocom's executive council will meet tomorrow to consider the proposals.

The director general of the AA, Mr Eric Turk, said the AA believed filling stations should be allowed to operate

INSIDE

New jail unveiled

The Prisons Department yesterday unveiled their new R30-million Johannesburg Prison, at Diepkloof, which will accommodate more than 4 000 prisoners.

● See Page 5

Appeals likely

Kirsh Industries and the Johannesburg Stock Exchange yesterday emerged as likely appellants to the Rand Supreme Court ruling in favour of Greatermans' non-voting shareholders. Appeals must be lodged by June 2.

● See Page 19

Gold drops below \$330

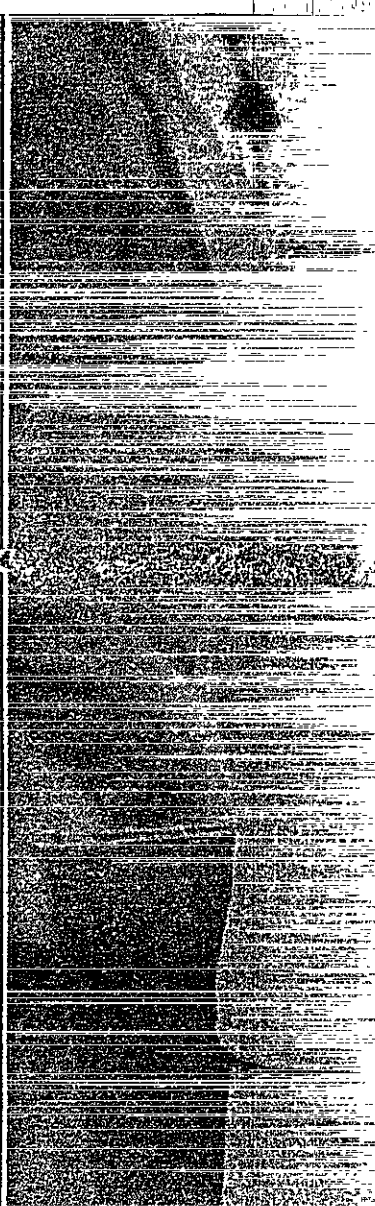
Gold dropped below \$330 for the first time in more than a month yesterday, to a fixing of \$329 an ounce in the afternoon in London, more than \$5 down from Friday. Gold was fixed at \$329,50 yesterday morning.

● See Page 19

PLUS

Gilbey's PUNTER'S FRIEND

Appointments ... 27



Mrs Valerie Maude van der Ling case in the Pretoria Supreme C.

SWA talks under way

GENEVA. — Senior American and South African envoys convened in Geneva yesterday for two days of private talks on the knotty issue of bringing self-rule to SWA, US sources said.

The SA delegation was expected to include high-ranking officials.

The Geneva meetings will be followed by talks in Paris tomorrow and on Thursday among representatives of the Western contact group on SWA. — Sapa-AP.

Somes' wife goes to UK

Mall Correspondent DURBAN. — The wife of Sergeant David Somes, the runaway detective wanted in connection with four allegations of murder, has joined her husband in England where he is working as a security guard.

A police spokesman said she was not wanted by police and was not implicated in the killing of the four men whose bodies were found under a freeway bridge.

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CAPE TIMES 14/5/82

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Egg prices up 7 cents on Monday

3 Egg

By SARAH HITHERINGTON

THE price of eggs will rise by seven cents a dozen on Monday and a further increase is expected next month.

This was announced yesterday by the South African Poultry Association.

In a statement, the association said that leading egg producers in the Western Cape were to put up their prices from May 17.

"The egg industry regrets these increases and has full appreciation of the effect it has on the consumer," the statement said.

"Our members are, however, forced into doing this because these price increases are entirely outside our control and cannot be absorbed by egg producers."

The increase was necessitated largely by a three cents a dozen increase in production cost as a result of the maize price increase. Additional factors

were other feed price increases including railage and imported fish meal increased cost of packaging material and higher interest rates.

These increases did not include the millers' margin increase which is expected to come into operation on June 1. Consumers would have to be prepared for another increase at that stage, the association said.

The Cape chairman of the Housewives League, Mrs Gwen Whelan, said the increase was "expected" after the 16 percent maize price rise.

The price of chicken was also expected to go up soon.

Eggs were the "last resort for protein". People turned to eggs, cheese, milk and poultry in the face of high red meat prices and the price of cheese was already "exorbitant".

The league was beginning to notice resistance to high prices with people "thinking twice" about what they bought.

Welders Society

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Black Allied Workers Union
Amalgamated Society of Woodworkers of S.A.
Amalgamated Union of Building Trade Workers
Amalgamated Engineering Union of S.A.

MINING AND QUARRYING

Trawler and Line Fishermen's Union
Orange-Vaal General Workers Union
National Certified Fishing Officers Association
Food and Canning Workers Union
Farmworkers Union
Black Allied Workers Union

AGRICULTURE, FORESTRY AND FISHING

National Federation of Workers
Orange-Vaal General Workers Union
General and Allied Workers Union

Unions have been classified according to the Standard Industrial Classification of All Economic Activities. The full extent of the operation of the following general workers unions has not been established:

UNIONS OPERATING IN 1981 GROUPED ACCORDING TO INDUSTRIAL CLASSIFICATION

3 [990]

Big egg surplus — plea to board

Consumer Reporter

EGG producers are faced with a large surplus which will have to be exported at a loss unless sales in this country increase.

The managing director of the Egg Control Board, Dr A H Olivier, is in Cape Town today to discuss a proposed advertising campaign with producers.

He told The Argus that the board did not control prices, but previous experience had shown that lowering them did not cause more eggs to be sold.

CLEARED

But Mr Raymond Ackerman, chairman of Pick'n Pay, said: "I wish these people would learn that the way to sell off a surplus is to bring down the prices."

Mr Ackerman pointed out that when the Dairy Board appealed to supermarkets to help sell off a butter and cheese surplus they were sold at cost and the surplus cleared in 14 days.

"The Egg Board is wrong in saying that sales of eggs are inelastic and

that lowering the price would not increase them," he said.

"Our experience is that sales of any food go up when the price drops."

Mr Ackerman said he was ready to catch an aircraft to Pretoria at any moment to discuss with the board ways to increase sales. He would be prepared to mount a big promotion to sell eggs at cost while there was a surplus. He thought other supermarket chains would also co-operate in this way.

Unlike other control boards, the Egg Board does not fix prices but is obliged to buy in surplus eggs.

Most of these are dried and exported at a price equivalent to 33c a dozen. The loss is met from a stabilisation fund raised by a levy from producers. This levy is allowed for in the wholesale price.

Current wholesale prices for eggs in the

Western Cape are 85c a dozen for medium, 91c a dozen for the large and 96c a dozen for extra large.

Egg prices have risen by 12c a dozen in the past two months because of rises in the cost of feed, mainly maize, and packaging.

A leading producer said there was normally a drop in consumption after a price increase.

SEASONAL

He said there was always a seasonal surplus in spring and this year it seemed to have come earlier than usual. He understood there was a surplus all over the country although there had been a shortage in April.

Dr Olivier said any advertising campaign would emphasise the fact that eggs, at R1.40 a kg, were still the cheapest form of protein.

He thought consumption by black and coloured people, in particular, could be increased.

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Brakes to end egg surplus

Farming Correspondent
The Egg Board is going all out to prevent a recurrence of the 1979 egg surplus.

The board's general manager, Doctor Bertus Olivier, said in Pretoria today that egg consumption largely depended on consumer spending. With the national economy dipping as at present, a major surplus of eggs could easily occur.

The board had now taken the necessary precautions. It was embarking on a major advertising drive to boost egg consumption.

ADVERTISING

The board was spending 0.49 cents a dozen of the present two cents a dozen levy on a R1 million advertising campaign to promote egg consumption.

Of this amount 60 percent would be spent on a bid to increase egg consumption by blacks, whose per capita egg consumption was only 144 eggs annually.

The board was also well-equipped to counter any expansion of production by feed manufacturers who produced eggs themselves on a large scale. Permit regulations would apply and any increase in their hen numbers would be prevented.

Dr. Olivier expected the demand situation would revert to normal within a year.

R1 m campaign to make you pack more eggs into your diet

(3) Eggs Mercury
4/8/82

Mercury Correspondent
PRETORIA—The Egg Board is to spend R1 000 000 urging South Africans to put more eggs into their omelettes, to reduce what threatens to be a huge surplus and save heavy export losses.

The advertising campaign will be beamed particularly at the black market, where the greatest potential for expansion lies, the general manager of the board, Dr J Olivier, told a Press conference yesterday.

He said the board had budgeted for a maximum surplus of 15 million dozen eggs this year. If the campaign succeeded, this would be reduced to less than 7 000 000 dozen.

The chairman of the board, Mr Ian Bartlet, said egg consumption in South Africa was closely linked to the pace of the economy — the more buoyant the economy, the more eggs eaten.

Because of the current economic slide a big surplus of eggs could pile up.

A major function of the board was to eliminate surpluses. It succeeded in reducing the 1978-79 surplus loss of R7 000 000 to R1 900 000 in the year to the end of June.

Loss

The producers' levy is paid into a stabilisation fund which helps cushion losses on exports. The levy was cut from 4 c to 2 c a dozen last September.

Mr Bartlet said the loss involved in exporting surplus eggs — mostly frozen eggs to the Far East — amounted to about 33 c a dozen.

'So rather than risk a large surplus this year, the board has launched a major advertising campaign.'

The consumption of omelettes would be particularly 'pushed'.

Asked why the surplus eggs could not be sold to lower income groups instead of being exported at a loss, Mr Bartlet said distribution was one of the problems.

A survey showed whites each consumed 246 eggs a year, and blacks 144.

Protest over egg surplus export loss

Consumer Reporter
A STORM of protest has blown up over news that egg producers will not reduce their prices in spite of a surplus which is to be exported, at a loss.

Mrs. Joy Hurwitz, national president of the Housewives League, has asked for a meeting with the Minister of Agriculture to discuss this and rises in the prices of essential foods. And the matter will be discussed at a meeting of the executive of the newly formed Consumer Foundation in Pretoria on Monday.

3 eggs

The executive of the Cape Town branch of the National Council of Women said the surplus should be sold cheaply to welfare organisations to combat malnutrition in this country.

"Eggs can be stored in all kinds of forms, including dried egg powder," said Mrs Kathleen Hare, immediate past president of the National Council of Women, "and I am sure most welfare organisa-

tions would be very glad to have them for distribution to people in need."

Mrs Hurwitz and Mrs Peggy Borckenhagen, Press officer of the Cape Town branch of the Housewives League, said they were confident many more eggs, reducing or taking up the surplus, if the price were lowered.

A statement issued after a Press conference

by the Egg Control Board in Pretoria stated: "Research has shown that egg consumption in South Africa has been closely linked to national economic activity.

"The better the state of the economy the more eggs South Africans eat. With the national economy dipping as it is at present, a major surplus of eggs could therefore develop if the trend is not countered".

The campaign will encourage people to buy more eggs and use them in omelets.

Mrs Borckenhagen commented: "Housewives would buy more eggs without the board having

to advertise them if the price were lower.

Mrs Hurwitz said: "With less money about people simply cannot buy as many eggs as they want at about R1 a dozen because they have to stay within their household budgets."

The egg surplus is exported at 33c a dozen.

Mr Jan Cronje, director of the Consumer Council, said the announcement that the surplus would be exported at a loss had come at an inopportune time.

See page 14.

Egg surplus doesn't mean lower price

3 Eggs
Star
7/8/82



By Colleen Ryan

One hundred and twenty million eggs too many — that's what the Egg Board expects for the coming year.

The surplus could be greater if the current economic slide continues, said Mr David Gouws, the board's deputy general manager.

To counter this the board plans a R1 million advertising campaign to promote eggs.

NO REDUCTION

Despite the predicted surplus, egg producers say that prices will not fall.

"Studies have shown that a reduction in price does not lead to a big increase in demand for eggs," an egg distributor told The Star.

"Prices would have to drop at least 10 percent for a mere one percent increase in consumption," he explained.

CRITICISED

The Housewives' League has criticised this attitude and has called for a reduction in prices.

"Eggs are an excellent source of protein and, if prices were reduced, low income groups could afford to buy more," said Mrs Y Forshaw, a vice-president of the Housewives' League.

The Egg Board knows that low income groups buy fewer eggs than other groups. A recent survey showed that whites ate 246 eggs a year each — blacks only 144.

To handle the surplus, the Egg Board imposed a 2c levy on every dozen eggs sold and used the money to buy up the surplus, said Mr Gouws.

The board had budgeted for a maximum surplus of 15 million dozen eggs for 1982/3.

He agreed that if the surplus exceeded that figure, the board would have to consider increasing the 2c levy, but this was unlikely.

EXPORT LOSS

Surplus eggs were processed into pulps and powders for food manufacturers, explained Mr Gouws. Eggs were also exported at a loss to the Far East although not in significant numbers.

There is a 33c loss on each dozen eggs bought as surplus by the Egg Board.

③ *D. Dipatch*
Eggs price falls by 28c

EAST LONDON — The price of eggs has plummeted in the Eastern Cape, with supermarkets reporting a drop in selling price of almost 30c a dozen.

The Eastern Cape and Border general manager of a supermarket chain here, Mr. Terry Carroll, said from his Port Elizabeth home last night that at his store in East London, prices had plunged from 96 to 78c for a dozen large eggs.

He said this was the result of cheaper supplier prices, which were being passed on to the consumer.

Another instance of this was frozen chicken's current price of R1.35 a kg at his store, where previously it had cost R1.69 a kg.

Our correspondent reports from Port Elizabeth that spokesmen said most chain supermarkets say they have dropped their egg prices by more than 25c, and that prices are expected to fall still further over the next few weeks.

Meanwhile, a spokesman for one of the area's leading producers claimed yesterday that the drop was the result of a major egg price war in the Eastern Cape which had been sparked by "greedy" egg producers aided by "selfish" chain stores.

The war, described as the worst in two years, was the result of a surplus caused by the breakdown of a voluntary price agreement among the 20 East Cape egg producers, the spokesman, who did not wish his company to be named, said.

He said the surplus occurred when one producer undercut the agreed egg price and the demand for his eggs increased. As a result other producers were forced to drop their prices and produce more eggs to cater for demand.

The spokesman said large chain stores had little consideration for producers and "aided and abetted the price war".

However Mr Carroll said: "Obviously if we obtain it at a cheaper price it is our duty to pass the saving on to the consumer."

He said it was not now and never had been the intention to jeopardise the livelihood of suppliers.

a dozen

Egg price slashed to 25 cents

CAPL'S TIMES 12/18/52

(3 eggs)

By DI ALMON

A HYPERMARKET yesterday slashed the price of its eggs to 25 cents a dozen, an all-time low in the current Western Cape egg-price war which started last Friday.

The announcement by a Brackenell hypermarket that it would be selling eggs at 25 cents a dozen today came just when a

ceasefire appeared to have been called by the major Western Cape supermarkets yesterday with the price at 45 cents a dozen. It is the second time this week that egg prices have dropped by more than half that of the previous day's average price.

Eggs were sold out in many supermarkets in Cape Town yesterday with

sales up by more than 600 percent in some cases. The unusually high sales were beginning to put pressure on suppliers who for the first time this week were battling to keep up with demand.

The drastic price cuts on large eggs, the most popular size, follow a public outcry at an announcement by the Egg Control Board that surplus eggs

would be exported at a 33-cent loss.

Spokesmen for OK Bazaars, Pick n Pay, Checkers and Grand Bazaars harshly criticized the Egg Board's marketing methods, saying their own sales had clearly shown that the most effective way to get rid of a surplus was to drop the price. They were confident that this had been done and expected

the price war to tail off by the weekend.

Sharp criticism was leveled at the Egg Control Board by independent egg-producers and by the organizing secretary of the Peninsula School Feeding Association, Mr Norman Freeman, whose organization supplies 111 000 eggs to children at 53 Peninsula schools every month.

Mr Freeman said he was outraged at the Egg Board's statement on TV last week that they could not supply eggs to charity organizations because they would find their way back to the market place.

"There is just no way this could happen. We receive the eggs hard-boiled from a supplier. It would be far more advisable for

the board to feed surplus eggs into nutritional ventures and help build up an economically viable work force than export surplus eggs at a loss."

Mr Freeman said he was "disgusted" at the board's decision to pump more than Rlm into an advertising campaign to encourage people to eat more eggs when the money

could be used in more beneficial ways.

Some of the independent egg-producers claim they were forced into a price war that they did not want.

"The price war was started by the management of the Egg Control Board who took it upon themselves to make stupid statements on television about a surplus," said Mr Ger.

Cliff Passerini of Windmill Enterprise in Paarl. He said they had never had an egg surplus. Independent egg-producers were badly hit by a price war in which they had to sell eggs at less than half price. This was not the case with the egg-producing companies owned by the big milling companies, Bokomo, Premier and Tiger.

AN UNDIGNIFIED SCRAMBLE...

Staff Reporter

THE run on eggs as they get cheaper — sorry cheaper — seems to prove that there are some things the housewife will not take laying down.

With the price of eggs below that of gold bullion as quoted on the London Exchange, feathers are flying in the scramble to poach a few more while the going's good.

And housewives are not just clutching at straws. Supermarkets are cock-a-hoop as they crow about breaking the egg price, spurring the consumer to shell out rands by the dozen.

It all boils down to creating a nest-egg now against tomorrow's price increases. In fact, anybody who isn't feathering her nest has got to be chicken.

If the egg counters look like hen-parties, it's only because after years of high prices the chickens have come home to roost.

It all works fine provided the family does not jump out of the frying-pan into the fire by consuming all those eggs so much faster — which would be no yoke.

And if the price of poultry keeps abreast of the cracking egg prices, will consumers heave another thigh of relief?

Eggs-actly!

ARGUS 12/8/82

3 Eggs

Huge demand for eggs at 25c a doz

Consumer Reporter

HUNDREDS of telephone calls were received at the Brackenfell Hypermarket before it opened today from customers who found it hard to believe the price of large eggs had been slashed to 25c a dozen.

One tried to order 400 dozen but was told by the general manager, Mr Dave Goldberg, that such a quantity could not be supplied to one customer. "We are not rationing the public," he said, "but shopkeepers who come here hoping to stock up and sell at a profit are being turned away."

Even before prices fell to this level, Mr Goldberg said egg sales had tripled.

This price drop is the latest move in a price war in which all four main supermarket chains are taking part.

But it will not last much longer. Mr Goldberg said: "The egg surplus must be exhausted soon."

"I think prices will be back to around 94c a dozen for large by Monday."

Grand Bazaars and OK Bazaars were selling large eggs at 45c a dozen and the hypermarket at 44c a dozen yesterday. Some stores had already sold out by yesterday afternoon.

Mr John Barty, director of operations for Pick 'n Pay in the Eastern and Western Cape, told The

Argus that prices in all branches were down to 45c a dozen but, following complaints, a check showed that at least one branch was selling them at 46c a dozen.

Mr Barry said that this was a mistake and the price would be changed to 45c.

"Our staff have been marking down egg prices for the past four days," he explained.

The last time prices were at this level was during a price war in October last year, when they fell from 68c a dozen to 38c.

Egg prices have risen three times this year, due to increases in the cost of feed and packaging.

Wholesale prices went up in May from 80c a dozen for large to 87c a dozen and last month they rose again to 90c.

The latest price war began on Monday when retailers put pressure on producers after an announcement by the Egg Control Board that there was a surplus and that, unless it could be sold at the prices then prevailing, it would be exported at a loss.

The announcement caused a public outcry and brought protests from the Housewives League and from charitable organisations which asked to be allowed to buy the eggs at the export price.

[Handwritten notes and scribbles at the bottom of the page, including the word 'argus' and various illegible phrases.]

Agricultural Correspondent

A MASSIVE surplus has sent egg prices crashing in the Cape, but Natal consumers can expect no major price reductions, sources in the industry said yesterday.

Prices in Port Elizabeth and Cape Town have fallen from nearly R1 to as low as 45 c a dozen this week.

And our Cape Town correspondent reported last night that, in a surprise announcement late yesterday, prices were slashed to 25 c a dozen — an all-time low.

Sold out

The announcement, by a Brackenfell hypermarket, came just as a ceasefire in the price war appeared to have been called at 45 c/doz by the major Western Cape supermarkets.

It was the second time this week that egg prices had dropped to less than half the previous day's average.

Eggs were sold out in many supermarkets in Cape Town yesterday, with sales up by more than 600 percent in some cases.

The unusually high sales were beginning to put pressure on suppliers who, for the first time this week, were battling to keep up with demand.

The drastic price cuts on large eggs, the most popular size, followed a public outcry at an announcement by the Egg Control Board that surplus eggs would be exported at a 33 c loss.

But spokesmen for chain stores in Natal said local suppliers had refused to come down in price because, they claimed, there was no surplus in the province.

The general manager of Pick 'n Pay in Durban, Mr Colin Clark, said he had been told there was a countrywide surplus, but suppliers had denied this.

Mr Clark said he had decided to drop his prices from 96 c/doz to 92 c/doz from today.

The general manager of the Pick 'n Pay hypermarket, Mr Martin Rosen, said he would also drop his price to force suppliers to reduce the wholesale price.

Madness

A spokesman for O.K. Bazaars said their suppliers had assured them prices would not come down — 'not by a single cent'.

However, a source in the egg industry warned last night that what was happening in the Cape was 'madness' and would harm the industry in the long term.

He accused chain stores of creating panic among suppliers by selling at cost or below cost.

'It's a ploy that's been used for the past couple of years to create price wars,' he said.

The source said Natal definitely would not be following the trend.

Natal suppliers are not under pressure, so there is no reason to lower prices, he said.

The Cape was experiencing a surplus because producers traditionally over-produced and sold the excess to Transvaal outlets, but this year the Transvaal had had a mild winter and did not need eggs from the Cape.

**NO JOY
for Natal
in egg war**

3 Egg
Mercury
12/8/88

Hens lag behind demand for eggs

CAPE TIMES
13/8/82

3 Eggs

Staff Reporter

MAJOR supermarkets in the Western Cape reported total sell-outs of eggs yesterday.

People queued for eggs at many supermarkets yesterday and some were turned away empty-handed. At the Brackenfell Hypermarket, where egg prices were slashed to 25 cents a dozen the rush was so great that customers were restricted to two dozen eggs each.

Major egg producers found stocks down to zero yesterday.

Waiting for hens

"We are utterly sold out," said one major producer who preferred not to be named. "We are literally waiting for our hens to lay so that we can supply the stores."

Egg sales had been 20 times the normal level at the Hypermarket.

"It's been crazy here," said manager Mr David Goldberg. "We will keep our price at 25 cents a dozen until tomorrow, but depending on our suppliers the price should return to normal (92 cents) on Monday."

But Pick 'n Pay's general manager for the Cape, Mr John Barry, said they intended keeping the price down as long as they could.

Lesson for board

"It just depends on our suppliers. I have never seen our stores so busy for this time of the month and if we can keep it up today and tomorrow we will certainly have achieved something for the consumer," he said.

"It just shows the Egg Control Board up completely. I hope they can learn something from it. We have a situation now where our suppliers are working hand to mouth," said Mr Barry.

Spokesmen for most of the major supermarket chains said yesterday they doubted whether the price would drop lower than 45 cents this week.

The drastic price cuts on large eggs, the most popular size, followed a public outcry at an announcement by the Egg Control Board that surplus eggs would be exported at a 33-cent loss.

● Egg price war 'cheap publicity stunt', page 3.

[Handwritten notes and scribbles at the bottom of the page, including the words "Lesson for board" and "Egg price war"]

3 990

t Egg price war called 'cheap publicity stunt'

Own Correspondent

DURBAN. — "The Board will continue its policy to export surplus eggs at a loss if the need should arise," said the chairman of the Egg Board, Mr Ian Bartlett, said here.

Reacting to the claim that supermarkets had "shown up the Egg Board", he said the board's policy of exporting eggs at a loss was a long-term one, whereas the price war in the Western Cape was a "cheap publicity stunt".

Housewives buying dozens of eggs at low prices were not substituting eggs for some other food — they were merely buying the food later than usual, and there would be a drop in demand, say, next week. This was why the Egg Board tried to get people to eat eggs as a substitute to a meat meal, thus creating a true increase in demand.

The price of the eggs in the Western Cape did not even cover the cost of the feed for the chickens. So producers were selling at a loss and supermarkets either at a loss, no profit or slight profit.

"In other words, the housewife is not really the person who benefits," Mr Bartlett said.

Supermarkets slam Egg Board

③ Eggs. Mercury
Agricultural Correspondent 12/2/52

MAJOR chainstores hit back at the Egg Board yesterday after accusations that they had been looking for cheap publicity by creating a price war.

A spokesman for the Checkers group said yesterday that suppliers in the Cape had started a price war among themselves.

She angrily denied that chainstores were involved in a 'cheap publicity stunt' to attract consumers into their supermarkets.

According to the spokesman, a few large producers, who had little to do with the Egg Board, had offered cheap eggs to their stores in the Cape.

'Why should we tell suppliers we don't want cheap eggs?' she asked.

She said Checkers believed that if a price war was created artificially it would be a disservice to consumers in the long term, because the loss on below-cost-price eggs would have to be made up elsewhere.

Mr Colin Clark, general manager for Pick 'n Pay, also denied that they were involved in a 'publicity stunt'.

'Suppliers reduced their egg price — so they can't blame it on the supermarkets.'

Mr Clark said he had reduced the price of eggs in Pick 'n Pay stores as a gesture to consumers because he believed consumers should benefit if there was a surplus of eggs.

He assured the Mercury that his group did not make up the losses incurred in cutting profits by increasing prices of other commodities.

(3) Eggs (74)
**Egg heads
to discuss
exports
to Taiwan**

8/82

By GEOFFREY ALLEN

THE Egg Control Board and members of the Egg Producers Co-operative are meeting in Pretoria this week to discuss developments in the market.

It is understood that one aspect they will discuss is the export of brown eggs to Taiwan as pulp and egg powder.

The meeting comes amid consumer controversy over the high price of eggs when the board has confirmed it is holding a surplus of more than 1 000 000 eggs against possible market fluctuations.

A spokesman for the Consumer Council said yesterday neither the export of eggs nor the surplus held by the board would affect current high prices.

He said it was producers, not the Egg Board, who set the price.

"The eggs being produced at present are small and there is little demand for them in South Africa so the board is considering exporting them in various forms to Taiwan. But that would not push up the price to the local consumer," he said.

Because the board was bound to buy all eggs produced it would be obliged to buy and hold the eggs which it now intended to export.

"It doesn't make sense to buy in vast quantities and just hold them," the Consumer Council spokesman said.

Mrs Yvonne Foreshaw, of the Housewives League in Johannesburg, said her organisation accepted that the board usually held up to 8 000 000 eggs, about 4% of total production, to hedge against violent market fluctuations.

"Our argument, however, is that there is such a surplus because eggs are either over-produced or over-priced," she said.

"We say that they should cut down the price and reduce the surplus."

[Faint, illegible handwritten text, possibly bleed-through from the reverse side of the page.]

Egg control board 'sat on' 51 000 doz.

ARGUS
16/8/82

3 eggs

ALTHOUGH there was a shortage of eggs in Cape Town by the end of last week, the Egg Control Board brought in more than 51 000 dozen and refused a request from at least one supplier to sell some back.

And now that the price war is over the board intends to go ahead with its R1-m advertising programme to persuade people to buy more at the normal price.

From last Wednesday local producers were unable to keep up with demand and dispatched eggs to the shops as fast as they could be collected from the hens.

UNAVAILABLE

But at the beginning of the week the board was still buying surplus eggs and a Paarl producer who tried to buy some of these later was told at first that he would have to pay 80c a dozen — which was higher than the price prevailing in the shops — and then that they would, in any case, not be available.

The price war did not really take off until Wednesday, another

Consumer Reporter

producer said, "and at the beginning of the week we still had a surplus which we sold to the board on a daily basis.

"They smash and dry them for conversion into other products as soon as they get them, so there is no way they could reconstitute them and sell them back."

NEARLY 6 000

The managing director of the Egg Board, Dr A H Olivier, said the board bought 51 510 dozen eggs from local producers last week — nearly 6 000 on Thursday.

He said he could not say whether the board paid more than the price producers received from the supermarkets last week.

But he said if the price war had continued for

long, many producers would have been put out of business.

Dr Olivier explained that the board still considered it worth while to run an advertising campaign to educate people to eat more eggs habitually, and not only when a price war was on, because this would increase sales in the long term.

And now there's an egg shortage

CAPK Tink 17/8/82

3 egg

Staff Reporter

THE egg shortage caused by the supermarket price war last week, forced Peninsula shoppers to drive many extra kilometres and pay inflated cafe-prices at the weekend.

Cafes, which usually sell eggs at prices above those at supermarkets, became virtually the only places where eggs were available. However, by Sunday, many had also run out of stocks.

Shoppers who had been unable to take advantage of the low prices during the price-war last week because they were at work, arrived at many stores on Saturday morning only to find empty egg shelves.

They were forced to turn to smaller outlets.

The hide-and-seek at cafes around the Peninsula came at the same time as confirmation that the Egg Control Board had brought in more than 51 000 dozen eggs locally last week.

Yesterday, the managing director of the Egg Board, Dr A H Olivier, said the eggs would be separated into whites and yolks and marketed in South Africa.

He could not say what price had been paid for the eggs. Eggs were bought at different price levels and the actual cost was calculated on a monthly basis.

Dr Olivier said allegations that the board controlled prices was "the biggest rubbish I've heard in my life".

Asked about plans to go ahead with an advertising programme to persuade people to buy more at the normal price and whether eggs were not like other commodities — if cheap, they'll be bought, otherwise consumers buy other foodstuffs — Dr Olivier said research in the past had shown that a decrease in price would increase sales.

However people would not consume more, he said.

Egg is on your face, Pick 'n Pay tells the Egg Board

3) Ecqf By ADA STUIJT
S. I. W. W. S. 22/8/82

PICK 'n Pay's Cape egg price-war which started when the food chain lowered its price of large eggs from 99c to 25c a dozen — led to a fierce row with the Egg Board this week.

Calling on Pick 'n Pay spokesmen to "stop making insulting remarks about the egg industry or the board", Dr A H Olivier, the Egg Board's general manager in Pretoria, slammed the food chain's Cape general manager in a letter as "ignorant of the board's purpose".

Now Mr Raymond Ackerman, Pick 'n Pay chairman, has challenged Dr Olivier to a meeting — at Pick 'n Pay's cost — to thrash out all differences.

Mr Ackerman said: "I am flabbergasted that Dr Olivier does not come to the meetings I have proposed during the past 10 years to help solve this constantly recurring problem."

The Egg Board criticised Press comments made last week by Mr John Barry, Pick 'n Pay's Cape general manager.

Mr Barry said that "the egg war showed up the Egg Control Board completely, and it was only trying to save face."

Mr Ackerman said instead of seeking an agreement, Dr Olivier preferred to accuse Pick 'n Pay of embarking on a marketing exercise for its own benefit.

"Nothing is further from the truth. We have repeatedly offered our help to the Egg Board to help them get rid of the egg surplus," he said.

Anger

Mr Ackerman said the egg war had been sparked by the board itself as it had caused consumer anger with TV announcements last month stating that the egg surplus would be sold to Japan at a third of the price South Africans are paying.

"The statement, already inflammatory to the South African consumer, was compounded when they then announced that a million rands for an intensive advertising campaign would be spent.

"We didn't engineer a marketing campaign or announce that the surplus would be shipped to Japan.

"Therefore, how dare Mr Olivier criticise us when the criticism lies with them? They are the ones with egg on their faces," he said.

"We'd much rather discuss the entire matter, at our cost, with Dr Olivier."

Mr Ackerman maintains egg surpluses can be cleared only with reduced prices.

Cue

This week he suggested that the board, instead of sending angry letters, should take their cue from the Dairy Board which several years ago asked supermarkets to help move a surplus butter supply.

Dr Olivier's letter said: "The board initiated a campaign during 1977/78 with producers, chain stores and other outlets to reduce prices to try to sell more eggs at a lower price to limit the surplus."

Dr Olivier invited Mr Barry to find out more about the board's procedures at his office.

However, Mr Ackerman said that his general managers were well-acquainted with the intricate workings of the board.

"We want that meeting because we have to face consumer anger, not the Egg Board," he said.

CAPE TIMES 26/8/82

The Cap

Board hoarded eggs ^{3 eggs} claim

Staff Reporter

THE Egg Control Board, had bought more than 700 000 eggs and then refused to release them even though retailers in the Western Cape had sold every egg available to them during the egg price war two weeks ago.

This claim was made by Mr David Goldberg, the general manager of the Brackenfell Hypermarket that slashed egg prices to 25 cents a dozen and sold more than a million eggs in four days. The price has now returned to 94 cents a dozen.

"During that week our suppliers could hardly keep up with demand, to me this proves that the Egg Board was neither marketing correctly nor selling at a "reasonable" price.

He said he believed the South African consumer should be allowed to take advantage of a surplus before it was exported overseas at a loss.

Mr Ian Bartlett, the chairman of the board, said in Durban that the board kept a strategic surplus to overcome market fluctuations.

The 700 000 eggs re-

ferred to by Mr Goldberg represented the strategic surplus and in terms of annual consumption this did not represent much.

"Retailers are merely interested in short-term profits and bargains.

"The board has heard from producers who said their sales had hardly gone up during the price war in the Cape," he said.

Mr Bartlett said the board could not release eggs on to the market of its own accord.

"Before we can release them we must get a consensus from the producers' representatives."

According to Mr Goldberg there had been a drop in sales after prices had returned to normal. However, it was not long before the public started buying again.

He said the price war had been sparked off by the board's announcement that the country was facing a massive surplus.

This had enabled stores to bargain with suppliers who wanted to get rid of the surplus.

"It's quite ridiculous to spend R1-million on advertising when all people want is a fair price," Mr Goldberg said.

Egg -

1983, 1984

Coetzee fight will be carried live via satellite

On radio all the major sporting events will be covered, including a ball-by-ball commentary on the first cricket Test between the South African Springbok and West Indian teams

First of all TV's "Sport '83" will be opening an hour earlier, at 1.30 this afternoon, with live coverage of the second day's play of the cricket Test at Newlands

There will also be live coverage of the Lexington PGA Golf Championship at the Wanderers, and the J & B Metropolitan Stakes at Kenilworth, in the Cape

Rugby fans should note there will also be a recorded programme of a match in the Five Nations series - Scotland vs Ireland

That is the afternoon's main course on the menu - but wait there are also "sweets" This will be in the way of live coverage of the heavyweight fight in the Sands Hotel, Atlantic City, U.S.A. this evening between Gerrie Coetzee and the unbeaten black boxer Pinklon Thomas

The fight will be coming live via satellite starting at midnight (our time)

Programming planning tonight has been affected by time changes in the CBS broadcast, which was originally due at 11.10pm

At Newlands cricket coverage on the radio will be extensive. - SABC will have a ball-by-ball commentary in English and Afrikaans on shortwave in the 25 and 41 metre bands

There will also be commentaries throughout the day on the English and Afrikaans radio services

The English commentary will be by Martin Young and Michael Toms, and the times will be 11.06-11.30, 12.15-12.30, 1.00pm-1.09 and then right through on "Saturday Special" starting at 1.35pm

The times on the Afrikaans FM (with Christo Olivier and Tinus de Villiers doing the commentary) will be 11.05-11.30, noon till 12.30, 2.06-2.35, 2.40-3.05, 3.10-3.40, 4.09-4.15, 4.30-5.10, and from 5.22 till the end of the day's play.

Kirsten was the important toss - with a shiny Kruggerand donated to the SA Cricket Union - and elected to bat on a pitch that had allegedly been "doctored" to blunt the West Indian pace attack.

A feature of yesterday's rain-curtailed play was the changing fortunes of West Indian Test wicketkeeper David Murray

His poor performance behind the stumps in the two-hour pre-lunch session suggested he was a worried man after hearing earlier that Australian Prime Minister Mr Malcolm Fraser had banned them from re-entering Australia

Murray - who conceded 18 bytes yesterday - lives in South Australia with his Australian wife, Kerry, who is currently expecting a child.

A Mail Correspondent reports from Melbourne that Mrs Murray, 27, said yesterday she might join her husband in South Africa if Australia refused him re-entry

The little No 1 wicket-keeper yesterday refused to comment, but Rowe said: "I am very disappointed with the Australian decision. We haven't done anything wrong. No country should take that attitude. We're a free people and professional cricketers."

Yesterday's 8 000 crowd was disappointing after pre-match ticket sales had indicated that at least 10 000 spectators would attend the first day. It is possible the weather kept some people away - and late in the afternoon light drizzle sent the players scurrying for shelter, only to return a few minutes later. But two overs later the rain came down heavily and 31 minutes' play was lost

The West Indians, meanwhile, are reportedly still trying to sign on an additional batsman. From Hobart in Tasmania, West Indian fast bowler Michael Holding revealed yesterday that Rowe had telephoned him with an offer of about R250 000 to join the rebels. Holding said he was not interested for reasons of principle.

BRUCE STEPHENSON reports from London that Lord Chalfont, the president of the Freedom In Sport organisation yesterday said the bans on the West Indian squad was proof that world cricket was an "anarchic shambles".

● In Durban, within four hours of ticket boxes opening, the final one-day Test in Durban on Sunday February 13 was a sellout. As estimated 2 500 people queued to buy the 16 500 tickets.

● The United Nations Committee Against Apartheid is giving priority to placing all the rebels' names on the sports blacklist, said Sanroc chairman Mr Sam Ramsamy in London last night. "Whole areas of the world will be closed to them," he said.

● See Back Page

Springbok captain Peter Kirsten wins the toss, a Kruggerand donated to the South the start of the first four-day Test at Newlands cricket ground in Cape Town yesterday

Stores to drop egg price

MAJOR chain stores in the Transvaal and Orange Free State will be cutting the price of eggs by 10c from Monday

Yesterday Mr Ben Du Plessis, sales manager of Steinbro Eggs, said his firm and the larger chain stores had agreed on a selling price of 88c/doz for large eggs

Mr Du Plessis said the price reduction would last at least four weeks and added that further price reductions could not be ruled out.

The surplus which developed since the beginning of January was aggravated by the economic recession and the seasonal decline in egg consumption.

Egg producers had been slow to reduce their flock sizes in response to this decline in consumption which resulted in the worst January surplus in the last four years.

Mr Du Plessis said the lower egg prices would also be passed on to smaller retail outlets and to consumers in Swaziland

Yesterday Mr Richard Cohen, Pick 'n Pay director, said his group had offered eggs at the reduced price last week and would continue the offer until the surplus ended.

Do-or-die day for King

By RICHARD WALKER
NEW YORK. - Gerrie Coetzee goes into his Atlantic City fight with a third-time-lucky crack at a world heavyweight title signed and sealed if only he stops Pinklon Thomas

With dramatic timing, promoter Don King confirmed he would waive his No South Africans rule to let World Boxing Association champion Michael Dokes accept a mandatory defence against No 1-ranked Coetzee

His only stipulation The fight must be in the United States

"We would never, never go to South Africa," said King aide Duke Durden. King's concession appeared to be a gesture to maintain his control over both heavyweight titles. He is the mentor of World Boxing Council champion Larry Holmes

He also wants to be reported to be the South Africa on the WBA's lucrative rematch and staging

King expects to fight himself. Then Coetzee at the title and King's agreement of WBA to hold that fight

So everything must, must, must promoter Cedric Kushner Coetzee to an immigrant fighter's bid for US

Kushner admitted aimed at placating the King

Inflation drop in 1982

Mail Correspondent
CAPE TOWN. - Inflation in South Africa dropped to the lowest level in four years at 13.8% in 1982.

Figures released yesterday by the Central Statistical Services show the all items consumer price index slowed to a rise of 0.33% in December, from 0.62% in November

The consumer price index for food only actually declined by 0.3% on the previous month's figure

The year on year rise of 13.8% compares with an increase of 13.9% in 1981, 15.8% in 1980, and 14.1% in 1979.

More SA-An talks expected

Political Staff
CAPE TOWN - South African and Angolan Foreign Affairs officials are expected to meet for the second time on the Cape Verde Islands shortly

No official confirmation of the planned meeting, however, could be obtained from either of the foreign ministries this week.

The first meeting early in December was surrounded by strict secrecy and it is understood the Angolan Government will insist on the same arrangements again



State workers to take

London Bureau
LONDON. - Top officials of the Belgian government will move into radiation-proof bunkers this weekend, just in case parts of the runaway nuclear-powered Russian sputnik fall to earth on Sunday, as expected

British scientists, however, say that most components will almost certainly disintegrate before they can do any harm

But it is the main portion of the satellite - the uranium-powered reactor - which could cause a serious hazard when it comes hurtling back to earth on February 7.

A scientist at the Royal Observatory, pointed out the serious harm the reactor could do if

it penetrated the earth the one which landed nearly R6-million

He said that pieces sent up by both the year came down ever majority of these fell harm

Unless the Russians for to disintegrate before prospect was extremely not be possible to tell down until the last could predict exactly Until then it was sitting it out."

Weinberg 'killer' calls Mail

By CHRIS OLCKERS
THE man who claims to have killed Mrs Joan Allison Weinberg telephoned the Rand Daily Mail again yesterday.

Police have appealed to him to contact them.

He repeated his claim that he killed attractive 53-year-old Mrs Weinberg in her flat at Darragh House in central Johannesburg on January 13 last year.

Investigating officer Captain Dan "Staal" Burger has made an urgent plea to the caller to contact him at Brixton and Murder Robbery Squad.

"We would like to talk to him. His case will receive every sympathy and we will assist him in every possible way," he said.

The caller said he had been Mrs Weinberg's lover for about three months. He claimed she had taunted him and this led to him "losing his cool and killing her in a moment of passion"

A leading Johannesburg psychiatrist said yesterday if the caller was the killer, he might have been prompted to contact the Mail when he was linked to a murder he had not committed

Earlier reports Weinberg could be the murderer, a We agent. She was several times

"He might have of something he could have piece silence of more

"But I am so will not allow has started talk He needs sympathy and above all is

INSIDE

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Radio	12
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Ring the Rand
Daily Mail 710-9111

possible.

'In Durban they have the sea and in the north mine water is being used, but we have nothing but sewage effluent and this is something that appals me.'

Councillor Peter Newman said it appeared the long-term planners had 'erred gravely' by not anticipating the present drought and suggested they should now look at piping sea water from the coast for sewerage purposes

The Administrator of Natal, Mr Stoffel Botha, is likely to issue a proclamation tomorrow conferring certain powers on Pietermaritzburg City council to implement further restrictions.

These would include cutting of or restricting the supply of water to any premises in the event of any infringement of restrictions and the prohibition of the use of hose-pipes and sprinklers and other devices for watering, except with council approval.

track. Deirdre Schwartz took time off from jogging yesterday to lend a hand in keeping the track in good shape.

Egg men want prices to rise on Monday

3 Eggs Mercury Reporter *Mercury* producers. 16/3/83
NATAL egg producers have recommended a price rise of 4 c a dozen from Monday.

This was announced by Mr Noel Leitch, chairman of the Natal Commercial Poultry Producers Association, which monitors egg production and gathers statistics for the industry. He explained that since the last price hike in November last year producers had absorbed cost increases.

He pointed out that the increase was not binding on

Mr Leitch said the suggested increase was due to the higher cost of feed.

Some protein materials had to be imported because of the drought. There was an 18 percent increase in packing materials, an increase in the Egg Board levy, wage adjustments and a higher Escom tariff, which came into effect in January.

Since the last price increase the price decreased because of an over-supply at the beginning of the year.

BOEKEVAT, Oscar, Wielie Walie, Skooldae, Sportfokus ... and more ... Hoe, Waarom, Wat, Die Voortreflike Familie Smit, News Focus (why not Hocus Pocus?) and Police File — these are programme titles to conjure with.

What madman would contemplate for even a moment leaving his box-side chair on a Tuesday evening for the dubious pleasures of professional enter-



tainment elsewhere?

Why, Skooldae is far superior to Goodbye Mr Chips, The Guinea Pig and St Trinian's. The Voortreflike Familie Smit knocks spots off Coronation Street and News Focus could teach BBC's Panorama a thing or two.

And don't forget our own award-winning David Hall-Green's exciting

presentation on *Police File* in which you, the public, play an important part.

What more can all you critics of our fine service want?

Surely you don't want more dull stuff like *Civilisation*, *The World at War*, David Attenborough documentaries, *Whicker's World* or an immortal series about man's struggle against injustice such as *Against the Wind* and

How Green was my Valley?

No, my friends, what we need and what we're getting is excellent bubble gum for the eye on most evenings.

Keep it up, SABC, soon we'll all realise, like I have, what a fine snow job you're doing.

We have to wait until *Berlin Wall* and *Open End* on Tuesday evenings before we get any semblance of entertainment.

GARY EICHORN

NOW AT ALL OUR BRANCHES, WE W



NB: EXHAUST PRICES WILL REMAIN THE SAME - NOTHING EXTRA ADDED! (EG. CORTINA 1.6 & 2 / R170 AND YOU GET BACK R50!)

Eggs, poultry will follow rise in maize price

By Sheryl Rame.
Pretoria Bureau.

③ maize (Spandly) ③ eggs Haw
23 APR 1983

The price of eggs and poultry will rise within two weeks as a result of the Government's announcement to raise the price of maize by 9,6 percent. Mr Z Coetzee, general secretary of the SA Poultry Association, confirmed yesterday that the increased maize price would affect the production costs of poultry and eggs due to the high percentage of maize in animal feeds.

He predicted the price of eggs and chickens would rise within two weeks or as soon as the various parties involved in egg and poultry production had been consulted. Neither consumers nor farmers were happy with the Government's latest maize price hike.

Farmers who had demanded a 25 percent price increase angrily accused the Government of arbitrary price fixing, and of approaching price fixing from a predominantly political standpoint.

In a statement issued yesterday, the National Maize Producers Organisation regretted the number of man-hours wasted by the maize industry in determining price recommendations when the Government arbitrarily fixed prices anyway.

A spokesman for the Meat Board said although the price of red

meat would not automatically rise immediately because of the maize price increase, it could affect the floor price of red meat when this was fixed towards the middle of the year.

According to the South African Agricultural Union, milk production will rise 0,75 c a litre.

The Consumer Council regretted that the maize price had to be increased, but was pleased at the 9,6 percent limit.

Mr Jan Cronje, director of the Consumer Council, warned that blacks especially would find it increasingly difficult to provide their daily needs.

A spokesman for a supermarket chain, Mr Gordon Utian, said last night the increase in the maize price would not help the drought-stricken farmer.

"We are deeply disturbed that the Government has allowed any increase at all in maize prices," he said in a statement.

"It will exacerbate the situation caused by the recession and the drought.

"On the one hand, the rural areas are needing emergency relief feeding, on the other the price of their basic food is being increased.

"The poor people of South Africa eat mealie meal not bread. The government could have afforded to, and should have, deferred the price increase until the situation had improved," said Mr Utian

Food glut grows as soaring prices bite deep

By Colleen Ryan and Stephen McQuillan

Housewives face more expensive eggs, milk, butter and cheese this winter — despite mountains of surplus food.

Millions of tons of dairy products were packing warehouses as a surplus built up, the Dairy Board said.

However, the board's general manager, Mr P E Roux, said a moderate price increase in the near future could not be ruled out.

Egg producers said a surplus of eggs already existed and retailers said the glut was likely to increase.

The price of eggs will go up by at least 6c a dozen on June 13 — the fifth increase in the last year.

The Consumer Council has called for price restraint from food producers and distributors.

It said consumers would turn to cheaper, substitute foods to dodge higher prices.

Council director Mr Jan Cronje said: "The dairy industry must realise that if it increases prices, it will lose more of its market share."

The move comes after the disclosure that farmers face one of the dairy product gluts in history.

Mr Roux said consumers had to understand the board's predicament. Farmers had higher production costs and, if they were not given a fair price, they would not survive, which could lead to serious long-term shortages.

Star 2/6/83 (3) eggs

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A board spokesman said at the end of February the surplus amounted to 12,6 percent of overall milk production.

The SA Poultry Association's general secretary, Mr Zach Coetzee, said a small egg surplus already existed and was likely to increase by the end of July. "If there is a large surplus, the price may be cut later this year."

He would not say how big the surplus would have to be before prices were cut.

"Surplus is a bad word to use in this context," he said. It included under and over-sized eggs, cracked eggs and dirty eggs, as well as extra volume to iron-out uneven demand.

He said the price increase could be justified as farmers' costs had soared during the last year. The drought was aggravating the problem.

"Either we accept a small surplus or we run the risk of running out of eggs."

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Delight ~~at~~ at 12c ^{3 Eggs} cut in ^{from} egg price ^{5/8/83}

Mail Reporter

THE decision by South Africa's biggest egg producer to bring down the price of its eggs has been welcomed.

Steinbro Eggs announced yesterday it would cut its price by up to 12c a dozen from Monday.

The company said the price cut was made possible by an egg surplus often experienced during Spring.

Other egg producers could not be reached last night to comment on whether they would also reduce prices.

Mrs Joy Hurwitz, national president of the Housewives League of South Africa, welcomed the Steinbro decision.

She said: "I am very pleased, because the consumption of eggs has dropped following the last price increase for eggs."

The president of the Black Housewives League of South Africa, Mrs Sally Motlana, said the price cut would help offset other high food prices being caused by the drought.

The public affairs manager for Checkers Stores, Miss Peta Lomborg, said the supermarket chain was "delighted" by the reduction and would cut prices by 12c a dozen on Monday.

A spokesman for OK Bazaars, Mr Ralph Horwitz, said its stores would also reduce prices by 12c from Monday.

Eggs - Times 20/9/83

(3)

Eggs to aid drought relief

Staff Reporter

THE equivalent of 500 000 dozen eggs — described as part of the “normal egg surplus” — have been made available by the Egg Board to official drought relief schemes, at subsidized prices.

The chairman of the board, Dr Eugene Brock, said the subsidy would

come from the Egg Board's stabilization budget, which was usually used to finance egg exports.

“The drought relief programme is being undertaken in such a way that it will not affect existing egg producers or trade channels,” said Dr Brock, adding that the amount of eggs involved was too small to affect

foreign trade.

He said there were always surpluses of eggs because one had to market for times of high demand and of low demand. The Western Cape was in fact in a better position regarding surpluses than it had been for many years.

Dr Brock said the eggs for relief schemes would

come from the board's reserve stock at a subsidized price of 40 cents a dozen, which was 35 per cent of the retail price of eggs.

This supply was usually available for processing or export as part of the board's “buffer stock” provided for the purpose of ensuring a constant flow of eggs to the market.

“In the light of the drought and accompanying problems, we have decided to channel eggs to problem areas to help alleviate the shortage of food,” he said.

It was up to the relief agencies to distribute the eggs as they deemed fit, said Dr Brock, and he hoped full use would be made of the offer.

(3) Eggs go
up 13c on
Monday
28/1/84

Consumer Mail

THE price of eggs in the Transvaal and Free State increases by 13c a dozen from Monday.

The price dropped about 10c during the second half of last year when there was an egg surplus, but the surplus situation has now ended.

The price increase in feed has forced producers to add on the amount they reduced last year.

Eggs in supermarkets currently cost about 98c a dozen for large and R1,10 a dozen for extra large.

When the egg price was reduced last year consumption did not go up, Mr Sach Coetzee, of the SA Poultry Association, told Consumer Mail.

The price was reduced by 6c a dozen in August and by another 4c in October.

Eggs go up on ³Egg Monday

Star 5/10/52
The price of eggs in the Transvaal and Orange Free State will increase on Monday, the Poultry Association said today.

A huge egg surplus forced down prices at the beginning of August and again during September, the association said in a statement in Pretoria.

Eggs came down by 12 c a dozen during the two months.

The surplus had now been reduced and a more realistic balance existed between supply and demand.

As a result prices will return to normal, that is the price level during July, the statement said.

—Sapa.

AGRICULTURE — OTHERS

EGGS — 1985 — 1986 .

Shoppers to shell out more for their eggs

Consumer Reporter

THE price of eggs will rise by 8c a dozen for extra-large, 7c for large and 2c for medium from today, according to the Boland Poultry Association.

Prices were last increased in June 1984.

The association says there are fewer large eggs now.

"We are importing fishmeal because of a local shortage," said Mr William Carter, chairman of the association. "This is inferior quality and has created a protein problem which is affecting the size of eggs."

LABOUR COSTS

Other reasons for the price increase are increased packaging and labour costs, said Mr Carter.

Medium eggs were being increased by only 2c to persuade consumers to buy them and not large eggs, he said.

"The adverse effect of imported fishmeal on egg sizes has created a shortage and we have increased the price of extra-large and jumbo eggs from today," said Pick 'n Pay chief buyer, Mr Allan Baxter.

The price of a dozen large eggs will be increased by 6c from March 4, he said.

"INGENIOUS"

"We have been assured that the quality of fishmeal will improve and soon there will be sufficient extra-large eggs," said Mr Baxter.

Mr Bernard Hellberg, assistant director of the Consumer Council, said: "The excuses being offered are becoming more ingenious by the day.

"People must start regarding eggs as a luxury."

Natal's
eggs go up
3 c a dozen

Pietermaritzburg
Bureau

THE price of eggs in Natal is to go up by 3 c a dozen on Monday week.

This was announced yesterday by the chairman of the Natal Commercial Poultry Producers' Association, Mr W Barnsley.

He said the price increase had been caused by the recent 10 percent increase in the consumer price of maize.

The mill price of feed to the egg producers was going up R14,60 a ton, which converted to about 3 c a dozen in input costs, he said.

A spokesman for the S.A. Poultry Association, Mr Z B Coetzee, said the increase was inevitable, although he believed it was low.

Farmers still have to absorb many other costs themselves.

Mr Coetzee said he foresaw another price hike in the Transvaal — where the increase is 4 c a dozen in about two months.

Supermarket chains contacted said they would try to sell supplies at the old price for as long as they could.

**Egg price
reduction
on cards**

Monday
3-egg/10/8/55
Pietermaritzburg
~~Print~~ Bureau
THE Natal Commercial
Poultry Producers' Asso-
ciation has recommended
that the price of eggs be
reduced by up to 10c a
dozen from Monday.

The chairman of the as-
sociation, Mr Warwick
Barnsley, said the recom-
mendation had been
made at a committee
meeting on Thursday in
view of the 'flush' of eggs
at this time.

'The days are getting
longer and warmer and
fowls tend to lay a little
better in the early spring
period. Our committee
has therefore recom-
mended that the price of
eggs be reduced by up to
10c a dozen until further
notice.'

outh America
d explain how



South Africa is the current holder of the International Egg Commission Annual Award for Egg Marketing and Publicity. Mr Runar Zinne (right) of Finland, who is the commission's chairman, handed the coveted trophy to Mr Bertus Olivier, the general manager of the Egg Board, at the commission's 21st conference in Durban yesterday.

Foreigners gather for egg conference

24/9/85
3-Egg
Mercury Reporter

MORE than 120 delegates from various foreign countries are attending the 21st conference of the International Egg Commission in Durban at which aspects like supply management, cholesterol and heart disease and malnutrition will be discussed.

That South Africa was chosen to stage this important conference demonstrates the country's stature in the international egg industry, said Dr Bertus Olivier, general manager of the Egg Board.

Altogether about 200 delegates are expected to attend the conference, which finishes on Saturday.

Among the foreign delegates who have travelled from Canada, Germany, the United States, Norway, Australia, New Zealand, Denmark and Belgium is the international chairman of the commission, Mr Runar Zinne from Finland.

The commission represents 23 countries which make up 60 percent of the world's egg producers.

Another important aspect which will be investigated is the declining consumption trend being experienced in many Western countries.

'Eggs are the perfect food to feed a hungry Africa,' said Mr Olivier.

'Eggs can play an important role in providing the growing populations of Third World countries with vital proteins.'

The delegates attended a reception at the City Hall last night.

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12 The Natal Mercury, Wednesday, September 25, 1985

te:12/84)

Egg industry controls 'fair' to buyers, sellers

25/9/85 3-Egg Mercury

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Mercury Reporter
THE South African egg supply management system is not perfect but it has created a stable environment in which most producers make a profit and consumers get quality eggs at a reasonable price.

This was said by Mr David Gouws of the Egg Board at the 21st conference of the International Egg Commission in Durban yesterday.

Mr Gouws was addressing foreign delegates on the production and marketing system which applies to the egg industry in South Africa.

He defined the supply management system as a system which managed the level of business risk.

"Too high a risk leads to a need for higher returns

and hence bigger supply-demand fluctuations — an untenable situation with a perishable product like eggs," said Mr Gouws.

Not popular

"Too low a risk on the other hand inevitably leads to exploitation of the system by individuals for personal gain and normally at the cost of the consumer."

He said, however, that it was a compromise system which was not popular with either consumers or producers because it was neither good nor bad to these two groups in particular.

The benefit of this system to the consumer was that the demand for eggs was always met while the level of the consumer levy had dropped from 5,7 percent in 1978 to 2,9

percent now.

When compared to the consumer food price index, the retail egg price had increased 11 percent less than food in general.

"The success of the system for producers revolves around the reduction of risk," said Mr Gouws.

Also addressing the conference was Mrs Joy Hurwitz, national president of the Housewives League.

Oversupply

Mrs Hurwitz said that eggs represented very high quality protein as well as low calorie value, but to encourage the housewife to use more eggs it was essential that their price be kept as low as possible.

Speaking about the oversupply provision in

the egg industry of 3 to 5 percent, Mrs Hurwitz said the league objected to surplus shell eggs, salted egg yolks and whole egg pulp being exported at a loss.

"But it is therefore heartening to note that the Egg Board aims to limit export losses by the development of many new egg products which will be sold to South African consumers," said Mrs Hurwitz.

She said the introduction of the new natural food product, 'Food for the future', was a positive move to combat high food costs by providing protein for those who needed it most.

"We ask that this product be made available in small packs at retail outlets as soon as possible."

Food of future to fight hunger

Mercury Reporter

A NEW high-protein food which could ease chronic malnutrition in southern Africa has been developed by the South African Egg Board.

Called 'Food for the Future' (FFP), it consists of egg powder and vegetable protein and will provide an inexpensive balanced meal for people who are undernourished.

Leading South African food and nutrition consultant Renata Coetzee

said the food, especially ^{3-egg} corresponded to the food habits and tastes of the consumer involved.

Miss Coetzee was speaking at the 21st conference of the International Egg Commission being held in Durban and was discussing malnutrition in the Third World.

Warning

One of the aspects of FFP is that it has a shelf life of four months and can be easily prepared as a side dish to the traditional African foods.

FFP was produced after the Egg Board took note of the warning of First World countries that Africa should be creative in trying to solve its food problems.

'At a recent conference a speaker said in no uncertain terms that First World countries can no longer pump food and money into Third World countries without them taking the initiative to become self-supporting in food supplies,' she said.

But while eggs might be the answer for the under-

nourished, they could contribute to the increasing incidence of coronary heart disease

Two speakers — Dr A J Benade, of the National Research Institute for Nutritional Diseases of the South African Medical Research Council, and Dr J Booyens, of the physiology department of the Medical University of South Africa — addressed the commission on 'Cholesterol and Heart Disease'.

Dr Benade concluded that egg consumption

should be limited to three a week while Dr Booyens argued that provided a consumer's essential fatty acid metabolism was normal, there was no limit to the number of eggs that could be consumed.

Arteries

Dr Benade said that while cholesterol (which is found in high quantities in eggs) was a basic biochemical component necessary for bodily functions, too much cholesterol was deadly.

He said an accumula-

tion of cholesterol caused a 'fattening' of the arteries which would then cause the blood supply to the heart to be cut off, which resulted in heart attacks.

'Human metabolic studies, international comparisons and animal experiments have all implicated the ingestion of inordinate amounts of saturated fats and cholesterol and excessive calories as being chiefly responsible for the high average cholesterol values in affluent parts of

the world,' said Dr Benade.

However, Dr Booyens said a study of two neighbouring suburbs — one affluent and one less affluent — showed that the incidence of heart disease in the less affluent community was three times that of the affluent community.

Disorders

He also said that research showed that in the period 1950 to 1987 egg consumption decreased but coronary heart disease increased.

~~Now The Herald~~

24/10/86
No surplus of eggs in W Cape

Staff Reporter

THERE is no surplus of eggs in the Western Cape and no possibility of a price reduction, according to Mr F Ferucci, chairman of the Boland Poultry Producers Association.

Mr Ferucci was reacting to press reports in which a chain store group said they were going to reduce their egg prices by 29 percent to 99 cents per dozen. Mr Ferucci said it was that organization's "own business" if it wanted to do that as part of a promotion campaign, but the announcement had unfortunately created the impression that there was a general over-supply of eggs.

"In press reports it was stated that the price of eggs is being increased by eight percent on a country-wide basis. It is incorrect," Mr Ferucci said. "This increase only applies to the Transvaal and has nothing to do with the Western Cape."

He added that the Boland Poultry Producers Association acted as the spokesman for egg producers in the Western Cape and protested against statements on egg production and prices by chain store groups "as if they represented producers".

The general manager of Pick 'n Pay Western Cape, Mr John Barry, said that the company was supplied by two independent producers who had a surplus.

"These two producers have chosen not to send their surplus to the Egg Board but will pass it on to us. We in turn will pass the lower price on to the consumer," Mr Barry said.

The chain is dropping prices by 41c a dozen while surplus stocks last.

The Egg Control Board at Kraaifontein declined to comment yesterday on whether there was a surplus in the Western Cape.

Bank's weekly...
auction. Room was allotted.
the average price was

2
BUSINESS DAY, Tuesday, December 24 1985

3 egg

'No alternative to managed industry'

Egg Board wants to keep controls

BUS DAY 24/12/85

THERE is no alternative to a managed egg industry in SA, says Egg Board chairman Eugene Brock.

Referring to Agriculture Minister Greyling Wentzel's recent statement that agricultural control would be eased in 1986 in a move towards freer marketing, Brock says in his annual report that although egg consumption has not increased for the third consecutive year, the egg industry enjoys a measure of prosperity compared with other non-export orientated agricultural industries.

Because of the recession, however, sacrifices have had to be made to maintain stability, Brock says. Pro-

ducers' profit margins have decreased, although production efficiency has improved.

"This prosperity can largely be attributed to the supply management system used by the egg industry over the past seven years," he says.

While accepting the system should have opponents, he is disturbed that some producers support it purely to exploit it for their own personal gain.

"The consequences of a system without the restraints of a control on hen numbers have obviously been forgotten," says Brock. "With no real trading partners and a diminishing world export market, I see no alternative to a managed egg industry in SA." - Sapa.

PH
12
11

STAN 12/2/78

Producers criticised for egg price rise

③ EGGS

Egg producers have been criticised for announcing the same increase— five cents a dozen, in the wholesale price of eggs, but the South African Poultry Association denies there is any price fixing.

The increase comes into effect today.

Mr Zac Coetzee, executive secretary of the Poultry Association, said: "There is still price variation, discounts given and no collusion."

The reasons given for the hike are increases in feed, packaging, petrol and salaries.

Mr Coetzee said: "Last year we had tough times and had to cut back on production, but now we are expanding again."

Consumer Council director Mr Jan Cronje asked how it was possible for certain egg producers to collectively announce the same price increase in a market-orientated industry.

"The consumer finds it difficult to understand how people can first ascertain their expenditure and then collectively decide their income by adjusting their price to make a comfortable profit."

"Groups who make use of collusion realise that the consumer can do very little to stem the tide of these price increases."

"The credibility of producers is damaged in this way."

Egg price won't drop

Mercury Reporter
Mercury

EGG prices are not expected to drop in Natal in spite of suppliers in parts of the Cape having already cut their prices.

A spokesman for the Natal Egg Co-op said yesterday there was no likelihood of the egg price being reduced in the near future.

Major suppliers of eggs in the Western Cape have recommended a price drop with immediate effect.

STAR (3) E993
24/5/86
**Price of eggs goes
up 12c a dozen**

Egg prices in the Transvaal and the Free State are to be increased by an average of 8,7 percent or 12 cents a dozen, with immediate effect, South Africa's largest egg producer, Golden Lay Farm, announced yesterday.

Golden Lay said the monthly maize price increase and higher costs announced for oil cake — the source of protein in layer feeds — necessitated the increase in egg prices.

The company stressed that the increase had been delayed for as long as possible.

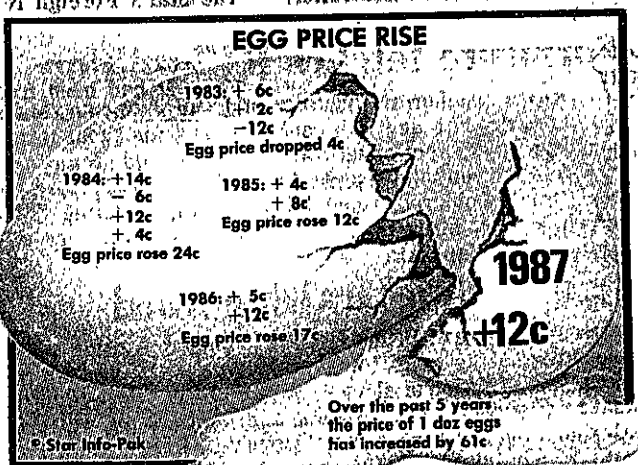
Executive secretary of the SA Poultry Association Mr Zach Coetzee described the increase in the egg price as "reasonable", but Housewives' League president Mrs Lyn Morris called it "massive".

EGGS

1987

SMK
18/6/87
3 EGGS

EGG PRICE RISE



1983: + 6c	-12c
Egg price dropped 4c	
1984: +14c	- 6c
+12c	+ 4c
Egg price rose 24c	
1985: + 4c	+ 8c
Egg price rose 12c	
1986: + 5c	-12c
Egg price rose 17c	
1987: +12c	

Over the past 5 years
the price of 1 doz eggs
has increased by 61c.

© Size Info-Pak

ECG

1988 + 1989

Board: egg markets face fluctuations

By *29/11/89*

GOVERNMENT withdrawal from the production control system would inevitably lead to larger cyclical and seasonal fluctuations in egg markets, Egg Board chairman Noel Leitch said in the board's 1989 annual report.

The board had made strong attempts to sensitise the industry to the need for planning in response to market demand rather than to production permits, he said. One method of doing this was through the monthly publication of Egg-Stats, which releases market trend information to producers. Leitch said government had accepted

3 E.S.S.
CHARLOTTE MATHEWS

final proposals for the withdrawal of the Egg Board from the domestic egg-products market.

A tender system for the sale of surplus eggs and the privatisation of processing would occur next year. The new system would be introduced in April 1990.

He said 1988 had been a turbulent year. This was triggered by the greatest concentration of egg interest ever in SA.

When grain co-op Bokomo's affiliate, Lemoenkloof, bought Premier Milling's egg interests and consolidated them with its own.

"The sudden decline in egg consumption from January 1989, after three years of uninterrupted growth, increased this instability.

"The resulting serious price drops are still evident," Leitch said.

The board was currently reconsidering its total foreign sales strategy. In spite of increasing isolation moves, it was still participating in the International Egg Council.

'No rotten eggs' in SA basket

SALMONELLA poisoning in eggs is not a problem in SA, say authorities after the release of shock statistics on salmonella poisoning in the UK.

Latest reports show that one person has died of salmonella poisoning in eggs in the UK every two weeks since February.

Onderstepoort Veterinary Research Institute director D W Verwoerd said the story of salmonella poisoning in the UK had been blown out of proportion.

"Any test would indicate salmonella poison-

ing on eggshells because salmonellae occur widely," he said. "But as soon as you cook the egg you kill the bacteria. There is no problem with salmonella in SA."

The Health Department said no case of salmonella poisoning had been recorded in SA.

An Egg Board spokesman said there was no problem with tainted eggs in SA, because egg factories here were smaller than in Europe and more care was taken to clean eggs.

CHARLOTTE MATHEWS

3 EGGS

Monday 27/12/88

(3 EGGS)

FM 1111

23/12/88

EGG PRODUCTION *Mail*

Cracking the market

Increases in red meat and poultry prices (*Business* December 9) may be bad news for the consumer, but not for the growing R500m/year egg industry.

"Product substitution plays an enormous role in the animal protein market. With red meat prices through the roof and poultry following suit, there has been a strong surge in demand for eggs, especially in the black market," says Egg Board acting GM Dawie Gous.

With laying hens productive for only one



Eggs come before the chicken for more families

year, the egg industry benefits further from rising poultry prices as it has to dispose of 11m "unproductive" hens each year.

In the year to June 1988, the egg industry showed sales growth of 12,8%. This is projected to increase by a further 8,5% in the current year, pushing industry turnover to nearly R550m in the year to June 1989.

"The past three years have shown very strong sales growth, but egg prices increased by only 5% over the past year," adds Gous. This compares with the 80%-odd rise in some chicken prices and red meat's price hike of almost 20%.

While the Meat Board still exercises strict control over the red meat industry and chicken producers have been accused of operating a cartel, the Egg Board operates only a surplus removal scheme for its producers.

"There are no 'middlemen' in our industry. The farmer sells direct to the retailer," says Gous. "The retail margin of about 8%-10% is well below Europe and the US, where margins of up to 30% are sometimes seen. Competition between producers is tight, with market share often seen as more important than excessive profit margins."

The reason: eggs are produced daily, and unless there is a sales outlet, producers are

forced to sell to the Egg Board at a large discount.

Increasing black urbanisation offers a growing market for egg producers. Although the industry is dominated by four producers (Premier, Tongaat, Tiger and the new Bokomo-Sacca co-operative alliance), hundreds of smaller producers have jumped on the bandwagon. Sales last year totalled 228m dozen eggs.

"Total industry turnover, which includes the R60m sale of 'reject' chickens, reached R500m. We expect egg sales to increase by a further 790,000 a day in the current year," notes Gous.

He adds: "There is an international trend away from meat products. We foresee no fall in the growth trend for our industry, especially as eggs are bound to remain the cheapest form of 'animal' protein. The only real future threat could come from increased fish production, once aquaculture becomes an accepted way of farming." ■

Bokomo's Koen to challenge Rainbow

Star 12/2/88

CAPE TOWN — Bokomo, the Western Cape farming co-operative, is on the move and the 600 farmers who own this R100 million plus operation can look forward to an ever increasing involvement in the country's food industry.

In a major deal signed last week, Bokomo bought out one of South Africa's largest food company's egg production facilities and taken over the management of its broiler business.

Premier Milling has put its faith in Mr Rudolph Koen, MD of Bokomo's poultry division and in a straight merger of assets has handed over the management of Premier's poultry business to him.

It is obviously a feather in the cap of the Cape poultry man and coupled with the two companies' agricultural feed business, the synergy of production facilities clearly makes for a very good deal.

Mr Koen declined to say how much Bokomo paid

By Trevor Walker

for Premier's egg business, but said the broiler business was much the bigger of the two. The combined broiler operation will have an annual turnover of about R450 million and the egg side about R200 million.

Bokomo's now expanded broiler output would produce about 1,6 million birds a week and given the continued swing to white meat in this country, further investment in production facilities would be essential.

The takeover of Premier's egg division has pushed Bokomo into the leading spot as far as egg sales are concerned.

Nevertheless, the modest Mr Koen has committed himself to take on the broiler industry dominated by Rainbow Chickens and it was perhaps, no coincidence that he is talking to Pick 'n Pay chairman Raymond Ackerman.

So, why do eggs cost more?

AKGAS

9/5/87

Staff Reporter

3 egg

EGG price increases are negotiated between producers and retailers, according to the general manager of the Egg Board, Mr Dawie Gouws.

"Egg price increases do not occur at regular intervals, as they are not controlled. Egg producers and the retail trade regulate the prices from month to month and region to region," said Mr Gouws.

In effect the Egg Board had nothing to do with the price of eggs, he said.

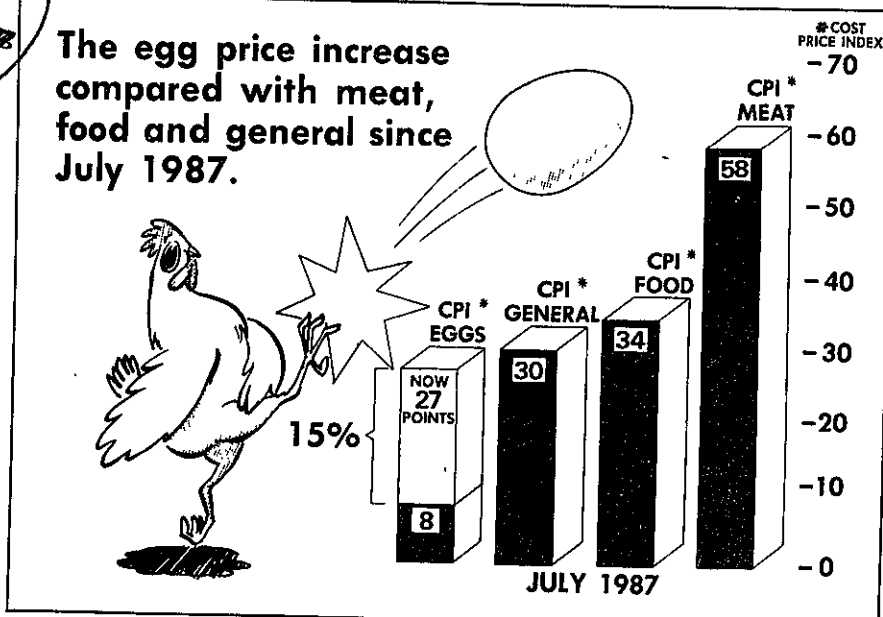
"Should the egg price increase generally in all the provinces, by 15 percent now, the increase since July 1987 will be in the order of 27 index points on the Consumer Price Index. This is quite low.

"It compares favourably with the meat price which rose by 58 index points, food prices by 34 index points and general prices by 30 index points over the same period.

"Eggs are still the best buy. A kilogram of eggs will cost about R3,15," Mr Gouws said.

South African Poultry Association director Mr Zach Coetzee announced yesterday that about six big egg pro-

The egg price increase compared with meat, food and general since July 1987.



Graphic: BOB GRIERSON, The Argus

EGGXACTLY: This graph shows the increase in the price of eggs, its effect on the consumer price index and compares it to other price rises including meat.

ducers would be implementing the 15 percent increase in all the provinces, except Natal.

Producers say the increase is a result of rising input costs for maize, fish meal, equipment, electricity,

packaging, transport and wages.

Checkers marketing manager Mr Hennie van Rooyen said: "Suppliers have approached us to push up our prices immediately, but we will be selling our eggs at the same price for the time being."

10/12/84 317184/

Warning to keep down egg supply as prices fall

CHARLOTTE MATHEWS

SURPLUS egg production is causing stiff competition among producers and drastic cuts in the consumer price of eggs, Egg Board GM Dawie Gouws said last week.

Two weeks ago Checkers sold eggs at R1,35 a dozen against the usual R2,16, but the supermarket chain said this was a promotion unrelated to excess supply.

OK Bazaars ran a one-day special price on eggs at R1,34 a dozen on June 26 against the usual R2,20 a dozen, but again said this was not caused by an over-supply.

The latest issue of Egg Stats, published by the Egg Board, said egg producers' output was becoming less market related.

"It is therefore necessary that all producers irrespective of size curtail unnecessary increases in layer numbers and plan egg production closer to market requirements," the Egg Board said.

The board found the demand for eggs was weakening, as expected in the medium term, and the present level of egg consumption growth was falling behind increases in production.

Permits

The Egg Board projects the demand for eggs 18 months ahead and builds in a 3,5% surplus to ensure appropriate supply. It allocates a sum to buy the surplus eggs, which are then made into egg products and sold locally or exported.

To prevent surplus production, the Egg Board issues permits that limit the number of layers a farmer may stock.

The Egg Board said production allocations had been over-utilised in most of the country, leading to very low surplus purchase prices.

However, Gouws said the board planned to eliminate the quota system.

"We would like to replace quotas with a sound market information system, which has already been instituted.

"This would assist the producer to make his own decisions on the basis of market information and statistics."

In the first five months of the year, egg producers have been squeezed by various factors.

Input costs have risen. Fishmeal prices increased by 45% earlier this year and the costs of transport, electricity and packaging have also risen.

EGGS

1990 - 1992

Farming goods to cost more - reports

STAT 3/24/90
(3) eggs
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Pretoria Bureau

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A top farming congress heard today that the cost of many agriculture products would rise in the coming months.

A series of reports on commodities were presented to the Agricultural Outlook Conference (Agrocon) in Pretoria today. The reports were compiled by agricultural control boards, the South African sugar industry, the KWV, the International Karakul Secretariat, the South African Poultry Association and the South African Agricultural Union.

A paper by the Meat Board said there were hopes that the price of red meat would stay at present levels. A beef surplus was expected to continue until at least 1996.

A total of 474 172 tons of beef and veal would be available this year - 20 000 tons more than last year. It would therefore not be necessary to import beef.

DROP

"From a long-term point of view, beef prices have already reached a plateau phase and will drop in real terms during the next few years," the conference heard.

"The increase in supply in the lower grades is expected to place considerable downward pressure on beef prices, which will not rise by more than three percent in 1990."

The price of mutton, was expected to go up by 6,3 percent during 1990.

The Egg Board said "eggs will remain a basic commodity in most households" despite the fact that the price of eggs was likely to rise.

"On average, egg prices are expected to be 13 percent higher during 1989-90 and 14 percent higher during 1990-91," it added.

Housewives continued to buy cheese, despite increased prices following the deregulation of the dairy industry.

The consumer price of milk, cheese and butter had all increased substantially over the past two years.

If this trend continued it could have a negative effect on sales, the report added.

they threw

The Queen, who this year celebrates 40 years as monarch, has faced unprecedented criticism about her children's exploits and her exemption from income tax on a considerable, but undis-

According to royal tradition, draft laws are passed to the palace before being debated by parliament. The programme claims numerous laws were altered to the benefit of

It also alleges that of the royal estates had made a fortune from lowly residents who died intestate, in which case their assets revert to the Crown. — Sapa-Reuter.

STAR 4/6/92

R40-m milk powder, butter to be imported

The Government has given approval for 4 000 tons of skim milk powder and 1 000 tons of butter to be imported at a total cost of about R40 million.

Of this, 1 200 tons of milk powder and 465 tons of butter are for re-export to African countries

to ensure that local companies retain their export markets.

Dairy Board stabilisation services manager Edwin Conroy said individual manufacturers could do their own importing if they wished.

There was no basis for fears that local dairies

⑤ Dairy Milk
would profiteer by importing cheap foreign supplies and selling them at a higher local price, he said, as the landed price of the imported product would be about the same as the local price, taking into account factors such as import charges and VAT.

MAIN



Court scraps levies paid by dairy farmers

③ milk + Dairy

8/Day 8/6/92

CAPE TOWN — The future of the Dairy Board and its subsidy schemes hang in the balance after the Cape Supreme Court on Friday declared null and void charges the board levied on dairy farmers.

The case was brought by Homestead Independent Dairies against the board, the Agriculture Minister and the National Marketing Council.

The board may have to repay hundreds of millions of rands to milk distributors who, since February 1987, paid levies which Judge A M van Niekerk declared unlawful.

The board also faces legal costs of more than R750 000.

Van Niekerk said it was a matter of grave concern that subsidies were paid to manufacturers at a time when there were enormous surpluses of skimmed milk powder and butter.

Huge grants out of the board's stabilisation fund were paid for the surpluses to be exported and disposed of. Between February 1987 and January 1991, R246m was paid to manufacturers for manufacturing and export subsidies.

The levies were paid by distributors on all milk bought.

The judge said the board had deliberately ignored protests of non-manufacturing milk distributors over the levy system.

The system, he found, shifted the liability to pay the levies from the milk producers to the distributors so that the latter subsidised manufacturers' activities.

This system threatened the existence of

LINDA ENSOR

every independent dairy, the judge said. One Transvaal distributor told the court he had thrown away 80 000l of milk as this was cheaper than paying the levies.

The judge found that former Agriculture Minister Grëyling Wentzel was kept ignorant of the distributors' objections. The marketing council, instead of investigating the scheme, merely acted as a rubber-stamp for the biased decisions of the board, whose members represented large manufacturers and co-operatives.

The board had even promulgated an amendment to the Dairy Control Scheme providing for the levy system without Wentzel signing the legislation.

The board resisted Wentzel's urgings that the levies be used to promote the use of butter and milk powder to such an extent that Wentzel had been forced to take the "drastic step" of refusing to approve the board's budget.

Agriculture director-general Hannes Hattingh said on Friday his department was reviewing the Dairy Board's operations, particularly the levy system which had resulted in a spate of court actions.

"One cannot run a scheme when one has to go to court all the time. Something must be wrong," Hattingh said, adding that the investigation should be completed soon.

It was not impossible that the Dairy Board would be abolished, although this would require the approval of the milk producers, he said.

□ To Page 2

Dairy Board ^{③ Milk + Dairy} ^{8/Day 8/6/92} From Page 1

"We are also discussing the possibility of appointing a committee of agricultural economists to look into the different agricultural control boards," Hattingh said.

He said the hands of the department and those of its ministry were tied as the board's operations were governed by statutes requiring the majority consent of dairy farmers. Once a scheme was adopted it was difficult to change.

Calling for the board's abolition, Homestead Independent Dairies MD John Ja-

cobs claimed after the judgment that the board had destabilised the dairy industry.

He said criticisms made by the judge applied to the current activities of the board, which was facilitating huge profiteering by large manufacturers on the import of skimmed milk powder and butter.

These manufacturers were allocated large import quotas, purchased the goods overseas at low prices and sold them at a large mark-up at prices fixed by the board.

Milk industry calls for a dairy secretariat

310 am 9/16/92 (3) milk + dairy
INDEPENDENT milk distributors have called for a small, high-powered secretariat to replace the Dairy Board which, they say has served no useful purpose except to benefit large manufacturers and co-operatives.

Speaking after the court judgment in Cape Town on Friday which declared unlawful levies the board had collected from distributors since 1987, they said the board had squandered hundreds of millions of rands of consumer funds to maintain a top-heavy bureaucracy which had not achieved any of its goals.

Russell Stevens, chairman of Natal-based Creamline, said the board's functions had been scaled down to virtually nothing since 1987. Its role had been reduced to running a

DUMA GOUBULE

stabilisation scheme for the industry. However, none of the board's proposed stabilisation schemes had been approved by government.

Homestead Independent Dairies MD John Jacobs, who brought the case against the board, said the board's achievements had to be set against the goals it had set for itself, namely to stabilise the industry. He said the reverse had actually happened and the industry had never been so unstable as it had moved from surpluses to shortages with regular monotony.

A small, high-powered secretariat manned by a few graduates and support staff was needed to keep the

industry abreast of international trends and provide statistics and information for decision-making. The board's impressive buildings, which housed 150 people, could be sold off to repay the levies paid by milk distributors since 1987.

Martinus Herman, MD of National Co-operative Dairy (NCD), the largest co-operative in the country, however, said it was wishful thinking to believe the industry could do away with the board. SA would probably be the only country in the Western world to have done so. He conceded, however, the board should have a reduced role.

A spokesman for the Dairy Board said it could not make any comment until tomorrow when it would receive a copy of the court judgment.

Milk up 25 percent in a year

Consumer Reporter

Jan Cronje.

The price of milk, cheese and eggs increased by 25 percent between April 30 last year and this year, reports the Consumer Council.

At the beginning of April, 10 percent VAT was imposed on fresh milk.

"But the imposition of VAT on fresh milk cannot be blamed for this increase," said Consumer Council executive director

The council said it had received complaints that certain retailers were disregarding the zero-rating on basic foodstuffs.

It called on consumers to ensure they were not being overcharged when buying brown bread, maize meal, samp, maize rice, dried maize (excluding popcorn), lentils, dried beans, sardines, milk powder (full dairy, not blends) and dairy powder mixture.

Dairy Board attacked after losing levies trial

STAR 9/6/92

③ Dairy Milk
Consumer Reporter
and Own Correspondant

There were renewed calls for the Dairy Board to be abolished yesterday as independent distributors and consumer groups welcomed a Supreme Court judgment which declared levies paid by milk distributors null and void at the weekend.

Mr Justice van Niekerk slammed the Dairy Board and the levy system it imposed on dairy distributors, and strongly criticised the way the National Marketing Council "rubber-stamped" the board's decisions.

During a three-hour judgment delivered on Friday, the judge said the Dairy Board had

shown "obvious bias" towards large-scale businesses.

Housewives League president Jean Tatham yesterday described the judgment as a breakthrough: "This is a great step forward. Let's hope its not too late."

The judgment was the culmination of a lengthy trial following the institution of an action against the Minister of Agriculture, the Dairy Board and the National Marketing Council by Independent Food Processors, trading as Homestead Independent Dairy.

Homestead managing director John Jacobs yesterday said the days of the board had "long gone".

"It has absolutely no useful

purpose," said Mr Jacobs. "If the problems of the majority are not being addressed, then it has got no legitimacy."

The dropping of the levies — which fluctuated between 2c and 6c — would enable more small distributors to enter the market.

According to Mr Jacobs, four large companies — Dairybelle, Nestle, NCD and Bonita — processed about 75 percent of milk and ruled the industry with an iron fist.

"What the judgment means is that the playing fields are now levelled for the first time. We're quite happy to slug it out with the huge conglomerates. The only thing we couldn't

match was their financial resources ... which partly came out of our pockets.

"Our view and the view of the independent distributors — the National Milk Distributors Association, which represents about 350 smaller distributors — is that there is no need for statutory intervention in the industry."

Mr Jacobs said a high-powered secretariat to administer the industry's affairs with minimal staff would suffice.

In his judgment, Mr Justice van Niekerk said there was considerable evidence to support Homestead's claim that the enforced levies compelled the non-manufacturing distributors "to subsidise their competitors".

Dairy chief urges free competition

Staff Reporter

HOMESTEAD dairies managing director Mr John Jacobs hopes subsidies will be halted and free competition restored to the dairy industry following the Supreme Court ruling last week declaring levies paid to the Dairy Board unlawful.

Homestead, the smallest dairy in the Cape, routed its two mighty competitors, Cape Dairy Co-op and Dairybelle, in obtaining the ruling on Friday.

The levy demanded by the board for each litre of fresh milk

bought from producers was used to subsidise manufacturers of skimmed milk powder and butter. Cape Dairy Co-op and Dairybelle represent the only two manufacturers of these products in Cape Town. Homestead Dairies only distributes milk.

Mr Jacobs said yesterday Dairybelle and Cape Dairy Co-op used the "huge profits" they were able to make on skimmed milk powder and cheese to suppress the price of fresh milk. "Over the years hundreds of small independent dairies were put out of busi-

ness by this iniquitous system," he said.

The general manager of Dairybelle in the Western Cape, Mr Barry Hildebrand, said yesterday he "did not know" what implications the ruling would have on the milk price.

Cape Dairy Co-op's marketing general manager Mr Marius Kritzing said they would continue to pay the levy until informed by the board payment was no longer required.

The dairy board is still studying the ruling. CT 9/6/92

③ DAIRY

Dairy Board again under fire over subsidies!

Vast milk surplus

③ milk + Dairy
10/6/92.

By Helen Grange
Pretoria Bureau

Millions of litres of surplus milk have been dumped over the last five years because of the Dairy Board's lack of assistance to dairies, milk distributors told The Star yesterday.

The revelation of the lake of wasted milk came in the wake of a Supreme Court judgment which found that the Dairy Board had been imposing prohibitive levies on milk distributors.

Yesterday The Star was told that millions of litres of milk had been poured away by dairies which could not afford the cost of sending surpluses to dairy by-product factories.

The Dairy Board has been considering changing the levy system in view of dairies' refusal to pay the levies. But while the board is seeking other ways to boost its stabilisation fund, irate milk distributors, encouraged by the judgment, are calling for the board to be abolished and the milk industry to be thrown open.

The Dairy Board has not yet offered any defence of last week's Cape Town Supreme Court judgment, which may mean it will have to repay hundreds of millions of rands to milk distributors as well as the legal costs of the action brought by Homestead Independent Dairies.

Homestead managing director Johan Jacobs said: "The whole purpose of our paying levies was so the Dairy Board could deal with milk surpluses. But it had no facilities to transport milk to the factories and, at times, the factories would not extend their facilities to us.

"To pay for the transport ourselves was too expensive, so some dairies just poured surplus milk down the drain."

One distributor told the court he had dumped about 80 000 litres of milk, enough to fill a domestic swimming pool.

Mr Jacobs said that while distributors were paying levies, four huge dairy processing factories, "with representation on the Dairy Board", were being heavily subsidised.

"Instead of curbing milk overproduction, it was encouraged, because the more dairy by-products these factories could produce, the bigger their subsidies were.

"But the milk distributors saw no benefits whatsoever from the levies they were paying," he said.

Andrew Wium, chairman of the National Marketing Council, which was criticised in the judgment for "rubber-stamping" Dairy Board decisions, said the board had been contemplating changes to the system in light of the non-payment of levies.

"It is a difficult problem because, in order for prices to be stabilised, there must be a stabilisation fund — and somebody has to pay levies to that fund," he said.

The Dairy Board will hold a special meeting on Friday to discuss the judgment.

dumped

Dumping of milk 'a catastrophe'

③ MILK
ARG 11/6/92

The Argus Correspondent

JOHANNESBURG. — The dumping of millions of litres of milk by dairies has been slammed as a "national catastrophe" and "shocking" in the light of alarming food shortages.

Consumer bodies, the South African Council for the Aged and the ANC have expressed outrage at the wastage, which milk distributors claim is unavoidable when the only alternative is to pay for surplus milk to be transported to dairy by-product factories, with no guarantee that it will be bought.

The distributors have blamed the Dairy Board for not helping them get rid of surpluses.

The Dairy Board has refused to comment, but will hold a crisis meeting tomorrow to discuss a judge's finding in the Cape Town Supreme Court last week that it is charging dairies prohibitive levies.

Distributors say the purpose of the levies is to handle surpluses.

A spokeswoman for the Council for the Aged said: "This shocking behaviour comes at a time when millions of elderly South Africans are struggling to buy the bare means to survive."

A spokesman for the Consumer Council said the situation was catastrophic and the Department of Health and Welfare should buy excess milk and distribute it to the needy.

Housewives League president Mrs Jean Tatham said milk dumping was an "incredible waste". She suggested that unpasteurised milk be tested for disease and sold at a cheaper price by dairies.

ANC spokesman Mr Carl Niehaus urged the Dairy Board to find a way of making surplus milk available instead of allowing it to be dumped.

"When so many people are suffering because of the economic recession and the drought, we constantly see uncaring action. The board could make the milk available to young children who are dying of malnutrition," he said.

Milk distributors said the Dairy Board had forced them to dump millions of litres of milk in the past five years instead of sending it to producers of butter and milk powder.

Mr Natie du Plessis, executive at the National Milk Distributors Association said: "What can we do? We have to dump it. It makes no economic sense to undermine our own markets by giving it away or paying to have it taken away."

Mr Du Plessis insisted that private dairies had been forced to look after themselves at times of surplus.

"The dairies try to balance the surpluses between themselves, but at times there is no alternative but to literally pour it away."

Mr Du Plessis said that unpasteurised milk, if it were to be used, had to be subjected to strict processes to meet health regulations and if there was no market, it was cheaper to dispose of it.

"The problem lies with the government, which should take charge of surplus milk, perhaps by distributing it far away from the dairies so their markets are not interfered with," he said.

Mr Barry Hildebrand, general manager of Dairybell in the Western Cape said no milk processors or distributors in the Western Cape had dumped milk.

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Egg Board cuts back on surplus subsidy

IN PURSUIT of sound "eggonomics", the Egg Board is discouraging overproduction by reducing the amount of the surplus it is willing to subsidise instead of relying on market forces.

The board previously bought up any excess production under its surplus removal scheme, but this has led to a dramatic rise in overproduction.

The board will no longer subsidise an unlimited excess, but has instead set a surplus ceiling amounting to 2% of annual egg consumption.

According to Egg Board operations manager Jan van Zyl, current surplus production has topped 360 000 cartons a year, which is 4,3% above domestic consumption. In the past, the board agreed to buy this surplus for the equivalent of 66% of the average retail price for a dozen eggs. However, Van Zyl said this was no longer viable.

MEREDITH JENSEN

"We have been financing the surplus at a loss. If we did not put a limit on the amount of overproduction we subsidised, we would have had to ask the producers to pay a higher levy.

"In addition, any price increase would have been passed on to the consumer and we would have had every organisation in an uproar."

According to Van Zyl the impetus for change came from a large group of producers who want the removal scheme totally eliminated.

"There are serious problems within the marketing chain, from the producer to the consumer, including the control boards." However, he maintained that if the surplus removal system was eradicated, price wars could force 90% of producers out of business.

While Van Zyl said the new system was hoping to encourage producers to watch the market and plan accordingly, he admitted it would be difficult to regulate a biological entity.

He believed an alternative for the surplus eggs could be a role in the convenience foods market as well as part of a bulk feeding scheme. He said processing of eggs was expected to start soon at a new drying plant in Bronkhorstspuit.

"The egg processing market may eventually replace the surplus removal system because it would be in a position to step in and start buying the surplus." He said this would lead to the end of the Egg Board.

Van Zyl confirmed the board was looking into privatisation.

"The industry must decide what is best for it, and it may well be eliminating the boards altogether."

Egg price soft as market boils over

3 EGGS

81044 24/7/92

MEREDITH JENSEN

RETAIL chains in the Transvaal have launched major egg promotions as overproduction in the industry continues to push an extra 15 000 cartons a week on to the market.

The flood has brought retail prices down by as much as 40c to around R2 a dozen. However, retailers do not think the price will continue to drop as many of the surplus eggs have ended up in the informal sector — the hawkers' market.

Pick 'n Pay director Richard Cohen said: "Producers in the Transvaal are doing ad hoc deals in large eggs." He said the surplus was not considered to be "meaningful" at this stage.

"If we see more of a surplus and the producers continue to discount their prices, we will definitely continue to pass the savings on to the consumer."

As a result of the overproduction, the Egg Board has called for the "immediate elimination" of 4% of the laying flock, or 480 000 hens.

Surplus production has climbed to 8,9% of annual domestic consumption.

The board has been financing the surplus at a loss, according to a spokesman. "If we did not put a limit on the amount of overproduction we subsidise, we would have to ask producers to pay a higher levy."

The spokesman said an alternative for the surplus eggs could be a role in the convenience foods market as well as part of a bulk feeding scheme. However, the processing of eggs was already operating at capacity, with most of the output earmarked for export to the Far East.

Additional egg processing was expected to start soon at a new drying plant in Bronkhorstpruit.

A spokesman for the board said the in-

dustry could be headed for disaster with many producers being forced out of business as a result of the glut.

"Unless drastic action is taken, this excess is expected to continue for the next three quarters and could shut down production for many farmers.

"The number of laying hens has increased by almost 500 000 since January 1992, while figures for May show a 2,7% rise from last year, amounting to a nationwide total of 11,575-million hens," the spokesman said. The number of hens needed to supply the market is 11-million.

Ironically, the jump in output has come on the heels of a radically revised surplus removal scheme undertaken by the board last month. In response to what industry sources referred to as "rampant overproduction," a ceiling on excess subsidies was imposed whereby supplies exceeding 2% of annual domestic consumption would no longer be absorbed by the board.

A spokesman for the board said the major factor contributing to the rise in output was a "weak cull market". Cull referred to a chicken which was no longer productive and was to be sold live.

Most of these hens were bought by black consumers, only few of whom could afford either live chickens or eggs.

"If the farmer cannot sell his cull, he goes into overproduction and the market cannot handle this," the spokesman said.

In an attempt to rectify this problem the industry, as represented by the Egg Organisation, has been trying to encourage the voluntary culling of hens even if this means a loss to the producer.

Cull hens or face serious losses, egg farmers told

MEREDITH JENSEN

③ 6555

A MAJOR egg surplus had resulted in a 50% price decrease during the past month, and producers could face serious financial loss if they did not reduce their flocks immediately, the Egg Board said at the weekend.

B10M 77/10/92.
"During August and September 52 000 cartons and 92 000 cartons of surplus eggs respectively have been delivered to the board, indicating more than 700 000 laying hens, or 6% of the total, are redundant," a board spokesman said.

Industry sources said consumers could benefit as retail prices dropped.

OK Bazaars food group marketing controller Norman Leibov said prices had almost halved since the middle of September, while retailers all over the country initiated special egg promotions.

According to Leibov, the current price for an economy size two-and-a-half dozen package of eggs was R5,99, down from last month's R9,19.

Overproduction had forced the Egg Board, which operated under a surplus removal scheme, to buy up nearly 150 000 cartons of eggs during the past two months.

The board's surplus price had fallen from R1,32 a dozen in August to R1,10. The board said that if a 10% reduction in flocks did not occur before the end of December, the surplus price could fall as low as R1,04, widening the gap even further between rising production costs and producer prices.

Leibov said that although the industry had called for a major culling campaign to reduce the number of hens in production, consumers would not see a price decrease for broilers.

"Many hens will be sold live, rather than culled, reducing the cost to people in the townships but not in the established market."

Maize exported at loss of R97,7m

Political Staff

CAPE TOWN — The Maize Board exported mielies and maize products at a loss of R97,7m in 1990/1. *BLOM 13/10/92*

Net trading loss on the purchase and sale of eggs, either locally or by export, that were surplus to local market demand was R11,3m at the end of June last year.

The Dairy Board, on other hand, lost R479 043 in exports of butter and cheese between March 1989 and February 1990.

The losses by the controversial marketing control boards were disclosed in Parliament yesterday, when reports into their accounts by Auditor-General Peter Wronsley were tabled. *Wronsley*

The loss on the exports of maize and maize products by the Maize Board between May 1990 and April 1991 amounted to R97 709 306 as against R206 223 412 in the previous year. *eggs*

The trading loss on eggs that were surplus to local market demand amounted to R11 331 026 on June 30 1991, against R9 837 779 the previous year.

The losses on exports of butter amounted to R315 989 while those on cheese totalled R163 054.

AGRICULTURE - PRODUCTS

EGGS .

1994 - 1999

Fire hurts egg industry

BY ZINGISA MKHUMA

The egg industry is in a spin after a fire gutted a factory that supplies a substantial amount of the industry's packaging material requirements.

Industry sources have warned that the price of eggs could go up if the industry resorts to more expensive imported packaging to alleviate the shortages.

The fire destroyed Van Leers' Atlantis packaging factory in the Western Cape on Wednesday.

A week's production — or 84 million eggs — is at

stake and the industry faces losses of up to R20 million.

South African Poultry Association executive director Zach Coetzee said that without the packaging from Atlantis, the industry was unable to pack or grade a large portion of its production while awaiting imports.

Coetzee requested consumers to assist in the crisis by returning their egg cartons to retailers and appealed to retailers to act as collecting points.

"It is almost impossible to handle eggs without

the necessary packaging. The authorities are also being approached to assist with the bulk air freight," said Coetzee.

Christo Groenewald, managing director of one of the largest egg producers in the country, said the industry was relieved that no lives were lost in the inferno.

The recycling of packaging material could alleviate the problem if empty egg cartons were returned to the point of sale, he said, and consumers could also help by supplying their own egg cartons.

4/11/94

3 Egg

Packaging fire puts pressure on egg prices

EGG prices are set to soar this week following the destruction of about 32% of the industry's packaging material in a fire at Atlantis last week, industry spokesmen said at the weekend.

The fire, at the Van Leer packaging factory, had left the industry critically short of egg cartons and government had been approached to assist in the bulk air freighting of the fragile commodity. One of the alternatives was to import packaging which was twice the cost of locally produced material and would affect prices, they said.

SA Poultry Association executive

LOUISE COOK

director Zach Coetzee said the fire had caused a major crisis in the industry. He said a weeks' production — 84-million eggs — could be lost which would cost the industry R20m and leave markets critically short.

He appealed to consumers to return empty egg cartons to retailers.

"Eggs are fragile and are almost impossible to handle without the necessary packaging."

Coetzee said the Atlantis factory supplied 40% of Van Leers' total production of packing material.

Supply of egg packing material

had already been stretched to the limit over the last few months due to technical problems in the manufacturing process.

"Without egg packaging the R1bn egg industry cannot distribute or even grade a large portion of its production for at least four weeks. Imported packaging first has to be shipped from Europe."

Golden Lay MD Christo Groenewald said only three options existed; recycling, consumers providing their own egg cartons and transferring eggs from shop trays or the reduction of the 20% import tariff on cartons.

Talk of egg price hike scotched

Star 17/11/94

■ BY ZINGISA MKHUMA
CONSUMER REPORTER

Fears that the price of eggs could go up following the destruction by fire of a packaging plant have been dispelled.

A spokesman for major egg packager Van Leer SA said imported packaging material should not have an effect on the selling price of eggs. **Eggs**

Rumours of an increase in the price of eggs were sparked off by the shortage of cartons announced last week after the Van Leer factory burnt down.

Golden Lay MD Ben du Plessis said his company had no intention of adjusting prices at the moment, but warned that the ball was in Van Leer's court.

Du Plessis described the packaging shortage as still critical.

EGG PRODUCTION
Fm 18/11/94
Sweating it out

The price of eggs, already 13,2% up on last year, is set to take off following a heat wave which hit Natal last week, killing nearly 40 000 birds and reducing egg production by 1,5%. **(3) Eggs**

It was the hottest day in 28 years. The temperature rose to 41,4° C in the shade and 47° C in laying sheds. Farmers sprayed water on their birds and sheds in an attempt to keep them cool but some lost a third of their flocks. The disaster cost them R40 000 each on average — without taking lost egg production into account.

Natal Agricultural Union manager Mark Gaskon says it could not have come at a more inappropriate time. Shortages will almost certainly result. No replacement stock is available due to the ravages of Newcastle disease which is only now being brought under control.

The heat wave came shortly after the Van Leer factory in the Cape, which provides 40% of egg-packaging material used in SA, burnt down. Packing material, without which eggs cannot be marketed, has had to be flown in from the Netherlands. This will also add to the cost of eggs.

This year the market will probably consume 9,1m cases each containing 360 eggs, says Ben du Plessis, marketing director of Golden Lay Farms, one of the biggest egg distributors in the country. The current average egg price for all grades at the

BUSINESS

Fm 18/11/94
wholesale level to distributors is R3,42/dozen. However, Du Plessis says: "There has been a 6% increase in the volume of eggs consumed in the last three months. Like meat, eggs are protein products and people often switch to them when the meat price goes up. The price could rise even more because of the increase in consumption and reduction in supplies."

Gaskon says: "Fortunately, poultry farmers can recover quicker than beef producers can. But production won't be normal until at least the first quarter of next year." ■

(3) Eggs

Closing down Egg Board cost taxpayers millions

Star 22/11/94

■ POLITICAL CORRESPONDENT

Cape Town — Retrenching employees of the Egg Board cost taxpayers R2,42 million.

The board was one of a bewildering array of bodies kept alive at public expense to regulate various aspects of agriculture and industry.

Some are still in existence, but with changed and reduced roles.

The board was closed with effect from April 30 and its operations ceased on May 31, according to a report to Parliament by Auditor-General Henri Kluever.

Surplus funds totalling R118 097 were put in a trust controlled by the Egg Producers' Organisation for research related to the egg industry.

The Bronkhorstspuit, process-

ing plant was sold for R4,2 million and the Galliova building in Constantia Park, Pretoria, for R2,3 million.

Listed among administration costs in financial statements was a donation of R1 million worth of egg powder to an unnamed recipient.

The Meat Board paid a total of R6 199 782 in the 1992/93 financial year to producers from various insurance funds as compensation for carcasses or parts of carcasses which were condemned as unfit for human consumption. (3) Egg

An Auditor-General's report said ministerial approval was given for stopping, with effect from July last year, the collection of insurance levies and payment of compensation for condemned carcasses. (2) Meat

Consumers 'exploited by township traders'

Egg prices drop in line with demand

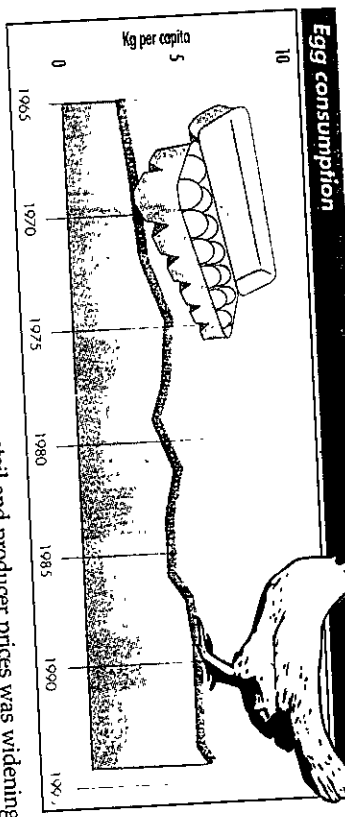
By Shirley Jones

KWAZULU NATAL EDITOR

Durban — Egg prices have dropped by 25 percent and will remain low in the short term, said Christo Groenewald, the managing director of Golden Lay and chairman of the South African poultry association.

In a report to the association's conference yesterday, Groenewald said prices were being driven lower by a drop in demand, which created an oversupply.

"Historically the retail trade has been reluctant to pass on price reductions to the end consumer. Presently, deep cutting promotions of R1 per dozen are the order of the day. In most cases, this is passed on in the formal retail and wholesale trade.



"Unfortunately, however, consumers at the lower end of the market are being exploited by emerging township traders with a concomitant dampening effect on the demand for eggs," he said.

retail and producer prices was widening, a problem that was compounded by a large increase in feed prices. He said many poultry farmers had to contend with large losses.

Groenewald said last year was the tail

end of the firm market. Price instability was expected well into the second half of this year and was likely to curb expansion and could, he hoped, reduce the placement of pullets.

He said many farmers appeared reluctant to reduce their flocks of hens because they expected demand for eggs to grow.

Groenewald said that the demand for eggs was determined by different factors, including the price of eggs, income elasticity, especially at the lower end of the market, and reduced consumer spending.

He said annual per capita consumption of eggs averaged 200 at the beginning of last year within the higher-income group and 48 among lower-income earners, with an average of 91, which showed the potential for the industry's growth.

3 EGGS (R) 14/5/96

Consumers 'exploited by township traders'

Egg prices drop in line with demand

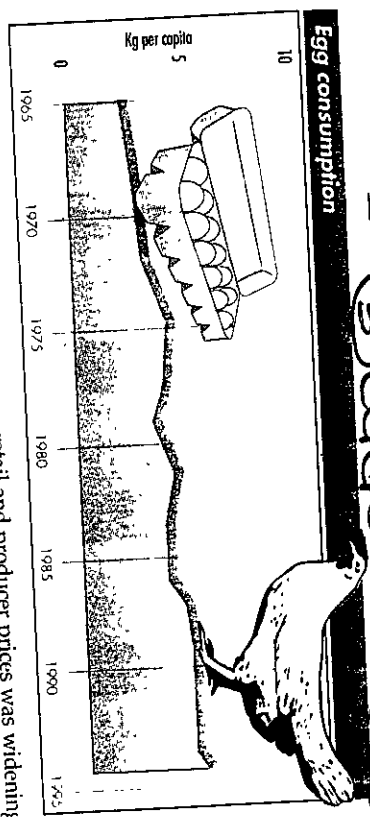
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3 EGGS 14/5/96

NEWS

Rural chick plan hatched

6 EGGS

~~SECRET~~ ET(BR) 4/7/97

FRANK NXUMALO

Johannesburg — The R2,7 million Masha-shane Egg and Hatchery Project, the first in the Northern Province run by black farmers and designed to produce 50 000 day-old chicks and 65 000 eggs a week, was inaugurated yesterday by Thoko Didiza, the deputy minister of agriculture and land affairs.

The project was financed by the Development Bank of Southern Africa (DBSA) and implemented by the provincial department of agriculture in conjunction with the Agricultural and Rural Development Corporation.

The aim was to create "opportunities and mechanisms through which (eight) emerging black farmers can develop and participate in the mainstream of the economy".

Didiza said she was aware of "acute shortages of agricultural support services in the form of mechanisation services, marketing facilities, training, finance and others too numerous to mention (that would make the project vulnerable to risks)".

But the 66 weeks of training that the eight farmers had undergone placed them in a favourable position to "make the project viable".

Didiza commended the public-private sec-

tor collaboration which had resulted in the scheme as a good example of partnership for economic upliftment.

"When we talk of Reconstruction and Development Programme delivery, Masakhane or economic empowerment, it is projects like these that are at the centre of it all.

"It is initiatives of this magnitude that can bring among our rural people a renewed hope of upliftment in the long-time neglected rural areas," she said.

This was the kind of partnership, she said, that the government encouraged in its attempt to eradicate rural poverty.

She urged other provinces to emulate the strategy.

But Didiza pointed out that, as the poultry industry in SA was "highly competitive, volatile and vulnerable to imports", the new farmers had to constantly come up with innovative ideas to remain "a step ahead".

She added that the tariff issue on imported poultry portions was still under discussion at the trade and industry department.

Last year, the South African Poultry Association applied for prohibitive tariff rates to discourage the dumping of "brown meat" from the US that could seriously undercut SA's "value-added portions".

Nulaid deal a 'role model for blacks'

ET(BR) 4/12/97 ③ Poultry EGGS

ROY COKAYNE

Pretoria — Although black economic empowerment was something the government truly wanted to embrace, this did not mean special protection for black economic empowerment projects, Derek Hanekom, the agriculture and land affairs minister, said this week.

"As soon as you start introducing special measures, you defeat the objective of achieving a competitive economy and economic growth," he said.

Hanekom said recent measures taken to increase poultry tariffs were appropriate, but stressed this was a temporary measure introduced on the basis of an analysis of the situation in the country and as a result of product dumping.



INSPIRATION Agriculture Minister Derek Hanekom

He stressed the tariff increase had nothing to do with black economic empowerment projects, and there was "a difference between support measures for

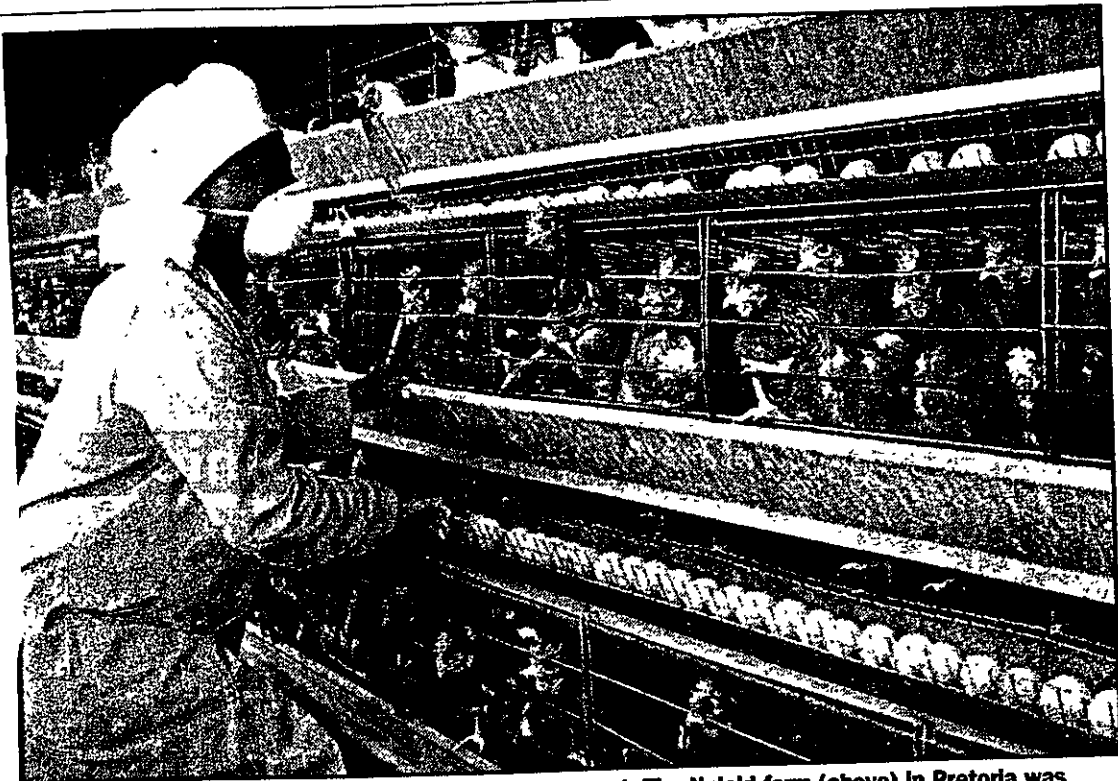
black economic empowerment projects and the protection of these projects," he said.

Hanekom was speaking at a function at which 16 employees at the 25ha Hirise Farm at Olifantsfontein near Pretoria of Nulaid, the national egg producer, signed an agreement to acquire the farm property, poultry sheds, equipment and 163 000 hens for more than R8 million.

He said the Hirise project embraced true black economic empowerment and also addressed the important issue of worker empowerment.

Hanekom said the Hirise worker empowerment project needed to succeed to serve as a source of inspiration and a model for other enterprises which wanted to embark on similar projects.

③ Poultry EGGS



Employees in the chicken industry are being empowered. The Nulaid farm (above) in Pretoria was handed over to the employees who have been working there for many years. Dell Farm, near Uitenhage, was also sold to its workers recently.

Workers take control of Nulaid egg farm

Sowetan 3/4/98
EGG giant Nulaid has formally handed over ownership of one of its successful farms, Dell Farm, to 12 of its employees for R6 million.

The ten-year deal has been financed by Boland Bank and is wholly underwritten by Nulaid. It will see the workers taking full ownership of the farmland, buildings, equipment and chickens.

The 395-hectare farm, with an annual turnover of R7,8 million, is situated 20 kilometres west of Uitenhage. It has 132 000 laying hens and produces 34 million eggs annually.

Commenting on the deal, Eastern Cape MEC for Agriculture and Land Affairs Max Mamase said it would allow the workers to say "farewell to poverty".

Dell Farm is the eighth farm in South Africa and the third in the Eastern Cape which sees workers benefiting from Nulaid's empowerment projects where farms are sold to workers.

Nulaid general manager Alan

Saunders said at the handover last week the signing of the deal would not see Nulaid "taking the money, putting it in our pocket and running away", but that his company would continue to work closely with Dell Farm's new owners.

He said Nulaid had undertaken to buy 85 percent of Dell Farm's production and it would continue to supply quality laying hens, management and financial expertise as well as technical support services.

Truck sales

Saunders said Nulaid had also sold off some of its transport fleet. He said the company's former employees had bought trucks worth R90 million from Nulaid and were now turning over nearly R10 million a year transporting eggs for the company.

Saunders said the deal would unlock capital that his company would use for developing other aspects of their operations which would lead to more job creation.

He said employees were selected for the empowerment project on the basis of experience and years of service with Nulaid as "they needed to know something about chickens".

Saunders said handing over operations like Dell Farm would improve productivity because the operation was "24 hours a day, seven days a week and 365 days a year" and ownership encouraged the kind of "care and commitment" needed to ensure the continued success of the operation.

He said in Europe it was normal for farmers to produce eggs under contract with a packer and therefore Dell Farm's relationship with Nulaid would not be unusual.

Mphefo Ramutloa, group public affairs and strategy executive for Nulaid's parent company Bokomo-Sasko said: "Bokomo-Sasko believes not only in creating wealth but also in sharing wealth with our workers.

"We hope this will set the pace for other agribusinesses."

Nulaid workers buy Kaalfontein farm

③ EGGS (4)

Louise Cook

NULAIID, SA's largest egg producer, sold its layer farm at Kaalfontein outside Pretoria to 19 employees at the weekend.

The R22,5m deal forms part of a drive started more than three years ago by the Pioneer Food Group to empower workers on layer farms.

The sales are based on similar models on layer farms in Europe, and the sale of the Kaalfontein farm is the seventeenth to be privatised on this basis.

So far, 116 layer farm workers have been empowered in such a manner since 1995 at a cost of R134,1m.

"The sale of this farm is unique in that, before, the buyers obtained loans from a bank," Nulaid GM John Pearce said.

"In this instance, Pioneer is financing the deal itself, which cuts out interest costs for new owners. The money gets paid back over the next 20 years."

Together with Bokomo and Sasko, Nulaid is a business unit of Pioneer group's agri-business division.

The Kaalfontein farm has 468 000 chickens that lay six eggs a week each. It has a turnover of R28m a year, representing 9,9-million dozen eggs.

The Nulaid employees who bought into the business acquire the 248ha property. With it comes poultry sheds, equipment and the hens.

Nulaid will continue to provide back-up in the form of training, technical support and distribution services to the farm.

"Empowerment deals such as this are aimed at improving productivity and unlocking capital for other growth opportunities," Pearce said.

Since the start of the company's empowerment deals, productivity has in some cases risen to over 300 eggs a hen over a 72-week period.

The productivity standard on layer farms is normally 288 eggs for the same period.

The farm was handed over to its new owners by Gauteng agriculture, conservation environment and land affairs MEC Mary Metcalfe on Friday.

Pearce said the privatisation of the farms was not unusual.

"In Europe most egg farmers produce eggs under contract to packers and distributors. Egg production consists of three main levels of activity: the breeding of layer hens, the operation of egg farms and the packing and distribution of eggs," he said.

BD 6/12/99

EGYS - 1993

Egg Board finances in a scramble, declares watchdog

③ EGGTS ARG 2/12/93

THE chickens have come home to roost for the Egg Board.

An interim report by the Auditor-General on the "deterioration of the board's financial position" from July 1 1992 to

February 28 this year paints a damning picture.

It reveals that an egg processing unit was built for a total of R16,2 million — but its market value was assessed at

R10 million less than that.

In May this year an assessor placed an "open market value" of R6,2 million and a compulsory sale value of R4,1 million on the plant and its equipment.

Written tenders to buy the plant and equipment were advertised in the media, but "at closing time on August 20, 1993, no tenders had been received".
— Political Staff.

Plant broke Egg Board

CAPE TOWN — The Egg Board, disbanded in July, had turned a cash balance of R21,558m into an overdraft of R3,8m in less than a year, according to the auditor-general's interim report on the board, tabled yesterday. **BISAJ 2/12/93**

The main reason for this was that R10,164m from the board's operating capital had been used to erect an egg processing plant. As at February this year, erection costs were R16,188m.

The board had failed to enter into long-term loans to spread the costs and none of the feasibility studies carried out indicated that the plant would be profitable in the near future. **3 Eggs**

In May this year a sworn assessor had placed an open market value of R6,168m — and a compulsory sale value of R4,124m — on the plant and equipment. Reuter reports government is understood to have sold the plant for R4,2m.

Export sales from July 1992 to February this year were 79% less than for the corresponding period, translating into R2,6m sales compared with R12,4m.

□ The Potato Board had been obliged to buy 155 888 10kg pockets of potatoes to prevent an oversupply on the market and a possible price collapse, according to the auditor-general's report for the board for last year which was tabled yesterday. This had resulted in a gross loss of R372 220 which was transferred to the special fund account. **Sapa**

Star 22/4/93

3,5-m eggs for poor likely to rot

By Mckeed Kotlolo
Pretoria Bureau

More than 3,5 million eggs set aside for the needy are likely to rot through lack of adequate means to distribute them.

Egg Board general manager David Gouws yesterday confirmed the board had a surplus stock and wished to distribute the eggs among the country's needy people, but transportation was a problem.

The confirmation follows a call to The Star by an angry, unidentified caller saying millions of surplus eggs were stored at the Egg Board instead of being distributed among the needy.

"Something tells me that if nothing is done, they will be kept there

until they rot," she warned.

Gouws said distribution was time-consuming, adding: "Last year it took us about four months to distribute the same amount."

He said that a few weeks ago the board offered the eggs to the Department of Agriculture for distribution among the country's various feeding schemes.

The board had also approached the Department of National Health to subsidise a process to reduce the eggs to powder for easy storage and distribution as an alternative.

Besides distributing the eggs, the board would have to keep them in cold storage for a period not exceeding six months, which cost it 7c a dozen per month, he said.

Gouws added it would be easy to store egg powder which could be kept for more than a year before being used.

Spokesmen for the departments of Agriculture and National Health confirmed the board had approached them for assistance, but said the matter had still not been finalised.

But a National Health spokesman said although there was great need for food, the department did not have funds available.

She said the total R410 million budget for her department had already been allocated to different regions in the country.

Meanwhile, Operation Hunger's Ina Perlman said her organisation had been approached with the offer, "but we are still awaiting confirmation from the board".

R6-m wasted on egg processing unit

CAPE TOWN — The Egg Board spent more than R6 million on a new processing unit at Bronkhorstspuit during 1991-92 before the Minister of Agriculture decided the project was not economically viable, according to the Auditor-General's report on the accounts of the Egg Board.

The report, tabled in Parliament yesterday, said the Minis-

ter, Dr Kraai van Niekerk, had given approval for R17 million to be used to build a processing unit on the Reef. **3 Eggs**

After a scientific study, the board decided to build the unit at Bronkhorstspuit, where the local town council donated about 20 000 sq m of land for the project.

However, Van Niekerk later

informed the board that he did not believe the project was viable. The Minister had pointed out risks relating to the continued free access of egg products to the world market.

At that stage, expenditure of R6 324 069 for capital work and R300 685 for professional fees had already been incurred. — Sapa.

Egg unit 'wasn't viable' ^{3 EGGS}

CT 20/5/93

PARLIAMENT. — The Egg Board spent more than R6 million on a new processing unit in 1991/92 before the Minister of Agriculture decided the project was not viable, an auditor-general's report on the Egg Board has said.

Egg Board's fowl scheme is no yolk

Political Staff

EGG on their faces!

That's the Egg Board which, according to the Auditor-General's report tabled in Parliament yesterday, shelled out R16 million for a processing plant.

The building, which was obviously not everything it was cracked up to be, was subsequently valued at the

poultry figure of R6,1m.

It was sold for just over R4m — no chicken feed but no yolk as far as the taxpayer is concerned and certainly nothing to crow about.

In terms of returns, it boils down to feathers. The board was abolished on July 1 and the Auditor-General is left unscrambling the finances, and trying to pluck out what is left of its assets

before laying to rest another chicken and egg situation.

The Auditor-General's report does not state just who hatched the idea of building the processing plant, but there is no hint of fowl play in what was obviously a rotten scheme.

That means no one will have to appear in front of the beak. The Egg Board is a general affair not an eier saak and it is not clear

CT2/12/92

5 EGAS

whether any of its directors were members of the Brooderbond.

Whoever buys what is left of the board — which ruled the roost as far as egg production is concerned — must also take over a stockpile of 47,4m eggs.

That's the picture — sunny side up. Among a battery of comments yesterday was one from a marketing analyst: "It's a cock-up," he said.

Call for probe of Egg Board plant sale bid

CAPE TOWN — The parliamentary committee on public accounts has called for an investigation into the Egg Board's attempt to sell off a R16m processing plant for R6m or less.

The committee said it might be desirable to block the sale until a check on the board's finances by the auditor-general had been completed.

In a report published on Saturday, the committee said it was concerned at events which gave rise to the abolition of the egg

scheme, and recommended that the Agriculture Department investigate the matter "urgently and fully". The department should look into contractual arrangements for the operation of the processing facility.

Immediate steps should be taken to prevent a repetition of similar events at other control boards, closely monitor the winding down of the scheme and ensure that nobody involved was either prejudiced or favoured, the committee said. — Sapa.

● See Page 2

Biday 2012/193
Eggs

INSIDE AGRICULTURE

Eggs face marketing scramble

This year the South African egg industry hosted the international Egg Commissions meeting. It was also the year the local egg industry took a hard look at itself and decided that drastic change was necessary to ensure its viability.

Of the 46 large egg-production countries, South Africa ranks third, together with Canada, for economic competitiveness.

Egg producers, ranging from small units to the three major companies (NuLaid, Golden Lay and Highveld), produce more than 250 000 tons of eggs annually, worth around R1,5 billion. For consumers, eggs are an affordable protein source.

The distribution chain in the egg industry is short, with more than 75 percent of total production delivered directly to the formal trade sector.

Supermarket chains take 59,1 percent, wholesalers 14,6 percent and small retail outlets 19,4 percent.

As in many agricultural industries, a small minority is

③ eggs responsible for the bulk of production.

Only 2 percent of egg producers own 1 million hens or more. One percent own between 500 000 and 999 999 hens. By contrast, 80 percent own less than 50 000 hens.

Economies of scale are clearly leading to oligopolistic tendencies in the industry, which are happening worldwide because of the retail structure.

Although consumers benefit from this trend now, it is a tendency the egg industry thinks should be addressed if it is to remain viable.

The population growth and urbanisation of South Africa will dictate the changes the industry must make if it is to retain its healthy position.

The SA Poultry Association (Sapa) estimates that by the year 2000 egg production will reach 413 000 tons, with consumption of only 291.000 tons. Obviously there is



**JUSTINE
NOFAL**

much that must change if the production/consumption gap is to remain acceptable.

Preliminary analysis by the industry has revealed fundamental problems, many of which emerged when the Egg Board

closed down in 1992.

If solutions aren't found for these, it is impossible to address the future properly.

It appears that a flourishing egg industry lies in creating marketing blocs.

Sapa believes that egg marketing must make inroads into the newly urbanised populations. This drive must come from producers.

"This will reduce the grip of formal retail outlets on the egg industry," says Sapa. "This grip poses the greatest threat to the industry's future.

"Margins will continually reduce and a downward spiral of decreasing fortunes can be expected if this grip not broken."

CT(DA) #4/12/98

BEEES.

1993 - 1997

Cape invasion is killing the killer bees

③ Bees

The feared Transvaal 'killer' bees are being pushed out by their meeker Cape relatives, resulting in huge losses for farmers, writes **Ellen Bartlett**

THE killer bees are being killed, as one expert put it this week. This may sound like good news. But it spells the potential destruction of South Africa's honey industry, as well as losses estimated at R500-million to farmers who depend on bees for proper pollination of crops, from the multi-million rand sunflower industry to growers of kidney beans, citrus, macadamia nuts, kiwi fruit and lychees.

The victim is *Apis mellifera scutellata*, the Transvaal honey bee, a prodigious producer of high-quality honey and the ancestor of that near legend in North America, the Africanised or "killer" bee. Feared by millions, this has a powerful sting, aggression and, as an Associated Press writer once put it, an ability to "launch mass attacks on suspected intruders".

The Transvaal bee is being pushed out by its poor relation from the Cape. Though gentler and occurring in far smaller numbers, Cape honey bees, *Apis mellifera capensis*, have in a few years wreaked havoc. They have taken over hives by the tens of thousands, killed off their Transvaal cousins and cut honey production to almost nil.

For a brief period this spring, the government and the beekeepers thought the situation was under control. Drastic measures had been taken in April: by government order, between 50 000 and 60 000 bee colonies, about 90 percent of South Africa's commercial bee stocks, were gassed in an attempt to eradicate *Capensis* in Scutellata territory.

But *Capensis* has since re-emerged in commercial bee hives and Transvaal bees are dying again.

The "Capensis calamity", as the journal, *South African Bee*, terms it, was first identified and documented in January 1992, though it is thought to have started as long as two years before.

"All of us were losing bees in far greater numbers than we should have. And we were not getting the crops we should have," said Mike Schoenfeld, secretary of the South African Bee Farmers Co-operative.

"Nobody could explain why. We were all inclined to put it down to the weather."

The invasion took place at two bridgeheads. A Natal bee farmer took his bees to the Cape, to give them time among the fruit trees, and on returning to the Transvaal unwittingly brought Cape bees with him. Then a Saldanha bay farmer took his Cape bees to the Transvaal. When all the country's beekeepers gathered at Springbok Flats north of Pretoria for the annual flowering of Aloe Davyana, nearly every hive became infected.

From then on it was financial disaster, "like getting retrenched without a golden handshake", Schoenfeld said.

The takeover has not been a violent one. "This is not a case of bees attacking each other," Schoenfeld said. "It's a nice peaceful process. These bees are coming in ... and simply taking over."

The warfare waged by *Capensis* is of a chemical variety. "Essentially what's happening here is a form of social parasitism," said Robin Crewe, Wits professor of zoology.

While living off their Transvaal hosts, the Cape bees slowly kill them off. And then, because the Cape bees cannot survive on their own in the harsher environment of the Transvaal, they die off, too.

According to Crewe and other scientists, the hostile takeovers have been possible only because of two attributes unique to the Cape bee — workers' ability to reproduce themselves and to disguise themselves as queens.

The lives of all bees are closely controlled by the queen bee, who rules by pheromone — the complex bouquet of smells that act as chemical signals.

If a bee colony loses its queen, female workers become capable of reproduction. But while workers in the world's other bee races produce male drones — whose only role is to venture out and find a new queen — Cape workers produce more female workers, enabling them to function almost indefinitely in the absence of leadership.

The second critical difference is the pheromonal bouquet produced by Cape workers.

Typically, worker bees have a smell that is different from their queen. But the Cape worker, in the absence of its queen, acquires a queen-like smell. If other workers are present, the Cape bees assume a "pseudo-queen" status, effectively



Sticky problem ... Wits bee researcher Diane Fullerton

PHOTO: STEVE HILTON-BARBER

dominating the other bees.

"What's happening here is these workers are getting into the colonies," Crewe said. "They start entering into some kind of reproductive competition with the queen herself. At some stage in the process the queen is lost and in essence the colony goes from being a colony of Transvaal bees to a colony of Cape bees."

But like the worst kind of house guest, the Cape bees can only survive as long as there is a host. They are unable to survive on their own outside a small area in the Western Cape.

The only reason they have successfully invaded the rest of South Africa has been the migratory nature of the beekeeping business — beekeepers keep their colonies in almost constant commute as the bees' services are required.

And because the beekeeping business in South Africa is informal and unregulated, there is no way to inform everyone of the dangers.

"We don't know who all the beekeepers are," said Diane Fullerton, a Wits bee researcher. "We don't know how to check them, we don't know how to monitor them. I'm still picking up *Capensis* swarms as I move around Johannesburg to do bee removals."

③ BEES

WM 3-9/12/93

3 BEES

Invader threat to bee industry

JOHANNESBURG: About 900 million South African honeybees have died in a year, largely as a result of the meeting of incompatible cousins from different eco-zones, it was reported yesterday. CT 12/8/96

Beekeepers said their industry faced partial collapse, with severe consequences for fruit farmers, flowers and trees.

The trouble began in the early 1990s when farmers moved entire colonies of Cape Honeybees north to the harsher interior to feed off plants that bloom at a different time of year.

They wandered into the hives of the more aggressive local African Honeybee and differences in pheromone levels and breeding patterns threw the local bees into confusion. The Cape bees then took over hives but were unable to survive themselves, and both colonies would die away.

Beekeepers said the problem was compounded by new diseases imported along with foreign honey. — Reuter

Honey industry faces ruin as 900-m bees die

(3) Bees ARG 12/8/96
JOHANNESBURG. - About 900 million South African honeybees have died in a year, largely as a result of the meeting of incompatible cousins from different eco-zones.

Beekkeepers told a Sunday newspaper that their industry faced partial collapse, with severe consequences for fruit farmers, flowers and trees.

The trouble began in the early 1990s when farmers moved entire colonies of Cape honeybees north from the temperate climatic zone they live in to the harsher interior to feed off plants that bloom at a different time of year.

They wandered into the hives of the more aggressive local African honeybee.

Differences in pheromone levels and breeding patterns threw the local bees into confusion, the Cape bees took over their hives but were then unable to survive themselves, and both colonies began dying off.

Beekkeepers said the problem had been compounded by menacing new diseases imported along with foreign honey.

"Many experts consider the extermination of all bees living in infected areas to be the only way to save the industry," the newspaper said. - Reuter.

Gauteng vows to enforce deal after new taxi violence

(2) ARG 12/8/96
The Argus Correspondent

JOHANNESBURG. - The Gauteng and Greater Johannesburg administrations say they will enforce a deal brokered between two rival Soweto taxi associations more vigorously after renewed violence claimed three lives in the past few days.

In addition, all drivers who fail to comply with the agreement clinched last Thursday will be denied operating rights.

The deal to end violence was reached between the Soweto Taxi Association (STA) and Soweto Taxi Services (STS) drivers. But a few hours later an STS driver was killed and on Saturday two more STS drivers were gunned down.

Soweto police spokesman Govindsamy Mariemuthoo said Themba Hlatswayo, 33, was shot in the back of the head by a passenger at the Fred Clark squatter camp in Soweto at 8pm on Thursday.

Police could not confirm the killing of two more STS drivers on Saturday.

Yesterday, provincial and Greater Johannesburg Transitional Metropolitan Council (TMC) officials said drivers of the two organisations who failed to comply with the agreement would be refused operating rights.

"They would effectively be denied business opportunities," said TMC public transport committee chairman Peter Horwitz.

At a media briefing yesterday, Gauteng urban and public transport director Lennox Magwaza said some drivers were refusing to honour the agreement of "first come, first load".

Northern Metropolitan substructure councillor Sibusiso Buthelezi, who helped broker the agreement, said it would be enforced through security measures expected to be announced by public transport and roads MEC Paul Mashatile today.

Cape bees plundering the rest of SA's hives

(3) Bees star 2/10/96

By ADAM COOKE

The massive pollination industry, which generates an estimated R700-million a year, is under threat as Cape bees continue to plunder the rest of the country's hives, according to an expert.

The crisis has resulted in honey shortages in Gauteng, where many supermarkets have been running out of stock. Suppliers outside Cape Town are having to buy honey from the Cape or import from Australia and China at very high prices.

Wits University, bee specialist Dianne Fullerton said yesterday the pollination industry, which includes lucerne, onions, avocados, apples, pears and kidney beans, was also threatened by the depleted local hives.

She said the Cape bees move in on local hives and its females and quickly become laying workers, thereby emulating the activities of local queen bees.

They produce more and more of their own kind and, unlike other bees, do not forage for nectar or clean or protect the nests, she says.

It all ends in anarchy as the hives fall into total disrepair and eventually stop producing, Fullerton added. In the Cape, the worker bees are prevented from emulating the queens' behaviour by the controlling odour secreted by the queen.

Fullerton explained that in 1991 a beekeeper brought a huge quantity of Cape bees to the north where they began infiltrating local hives.

The pollination industry operates around beekeepers who take their hives to various fruit and vegetable farms to pollinate plants.

Marauding Cape bees upset honey supply

Louise Cook

THE Agricultural Research Council is pulling out all the stops to save the SA honey production and pollination service industries following extensive damage caused by the relentless northward migration of the Cape bee.

Northern Transvaal Beekeepers' Association spokesman Hennie Botha said annual honey production in the northern parts of the country had shrunk from 3 500 tons in 1987 to 2 000 tons last year, a direct result of hive invasions by the southern variety. SA had to import nearly all its honey, mostly from Australia, whereas 10 years ago large volumes were exported.

"The problem is getting worse; both

BD 11/4/97
honey production and crop pollination are getting exorbitantly expensive due to hive invasions by the Cape bee. Avocado, pumpkin and sunflower crops are exclusively dependent on bees for pollination. Any interference affects the crop," Botha said.

The Cape bee, normally highly productive in its natural environment in the Western and Eastern Cape, was migrating to the north, where it became "totally unproductive" and took over the resident queen's job of laying eggs, Botha said.

Council plant and quality protection unit researcher Martin Johannsmaier said: "When Cape bees gain entrance to the hives of African bees, the colonies become queenless, reduce

③ BEES
their foraging, dwindle rapidly and die out." Commercial beekeepers had been suffering "extensive" income losses as a result of this since 1992, he said.

Meanwhile, expert opinion is that the only short-term remedy is to replace the queens regularly, and a council unit has started new research into a long-term solution. Johannsmaier said research had been done before, but with little success. "But I believe that with some adjustments to procedures we will come up with solutions. The problem is getting too big to ignore."

SA Professional Bee Farmers' Co-operative chairman Mike Schoenfeld said a hive's honey yield dropped to 50kg after a Cape bee invasion, against 80kg-100kg a decade ago.