

MAIZE

1975 - 1976.

Agric - maize

**PERSVERKLARING DEUR SY EDELE HENDRIK SCHOEMAN, MINISTER
VAN LANDBOU**

MIELIE-ORGANISASIE

Die afgelope drie jaar het ek my in besonder daarvoor beywer om eenheid binne die geleedere van die mielieboere te herstel. Die onderhandelings in hierdie verband deur die betrokkenes, onder my voorsitterskap, het daarop uitgeloop dat daar onderling ooreengekom is om hierdie doel te probeer bereik deur die stigting van 'n beoogde nuwe mielie-spesialiteitsorganisasie binne die geleedere van die Suid-Afrikaanse Landbou-unie, mits daar voldoende ondersteuning en belangstelling onder mielieprodusente vir sodanige ontwikkeling sou wees.

In Desember 1974 is daar aktief met die werwing van lede vir die beoogde organisasie begin. Nadat 31 Januarie 1975 aanvanklik as sluitingsdatum vir die inskrywing van lede bepaal is, moes dit noodgedwonge uitgestel word omdat inskrywings nie plaasgevind het op die skaal wat aanvanklik voorsien is nie. Ten spyte van besonder aktiewe werwingspogings deur alle betrokkenes, was daar teen die nuwe sluitingsdatum van 15 September 1975 nog heelwat minder as 7 000 kwalifiserende lede.

Kragtens die oorspronklike ooreenkoms tussen die betrokke partye, berus dit by my om te bepaal of ek die aantal kwalifiserende lede as verteenwoordigend van die mieliebedryf beskou voordat daar tot stigting oorgegaan kan word.

Die huidige getal is beslis nie verteenwoordigend van die bedryf nie. In die lig van die intensiewe werwingspoging wat die inskrywings voorafgegaan het, is ek daarvan oortuig dat dit ook geen positiewe doel sal dien om die huidige poging en onsekerheid te laat voortduur nie. Derhalwe het ek besluit dat dit in die omstandighede die beste sal wees om hierdie saak nie verder te laat sloer nie en die poging te laar vir om 'n nuwe mielie-organisasie te stig wat nie deur my as verteenwoordigende mondstuk van die mielieprodusente erken sal word nie. Diegene wat die R10 aansluitingsfooi by die beoogde organisasie betaal het, sal

dit/.....

dit mettertyd terugontvang.

Ek is nog steeds tevrede dat die Suid-Afrikaanse Landbou-unie, deur sy Nasionale Mieliekomitee, verteenwoordigend van die Republiek se mielieboere is, en dat hy, soos in die verlede, sal voortgaan om die belange van die mielieboere as 'n geheel doeltreffend te behartig. Daarom sal ek, die Regering en die Mielieraad voortgaan om die Suid-Afrikaanse Landbou-unie as enigste mondstuk van die mielieprodusente te erken.

Omdat ek steeds oortuig bly dat dit in die produsente se eie belang is om hul geledere binne 'n sterk, omvattende en erkerde landbou-organisasie te sluit, doen ek hiermee 'n beroep op mielieprodusente in die besonder om hul verskille van die verlede te vergeet en om hul almal by die erkende organisasie aan te sluit en, vir sover die boere dit self nodig ag, enige wenslike aanpassings op 'n demokratiese wyse binne die organisasie te bewerkstellig.

VRYGESTEL DEUR DIE DEPARTEMENT VAN ONTOEGANG
OP VERSOEK VAN DIE MINISTERIE VAN LANDBOU

PRETORIA

15 OKTOBER 1975

MAIZE PRICE F.M. 27/3/75

Pushing for +20% *Agric - Maize*

By the time this is read, the new season's maize price may have been announced.

Never backward in coming forward, maize farmers — via the South African Agricultural Union — have asked for a whopping 20% increase in the producers' price (from R50 to R60 a ton).

In the past year there have been three increases in fertiliser prices, totalling 74%. The SAAU based its R60 a ton recommendation on the fertiliser price last October because, it argued, the latest increase in February will not affect this year's crop since virtually all the fertiliser is already in.

The suggested price, to give farmers their due, is not just the result of thumb-sucking. The official estimate of overall cost increases last year was 16%. But this is based on a cost survey made only every 10 years — the last in 1970.

Farmers argue that the annual adjustments made to that — for price increases in fuel, spares, and so on — do not take into account "structural" changes in the intervening period, such as larger tractors, increased applications

Financial Mail March 27 1975



There's gold in them thar mellefields if . . .

f fertiliser and weed-killer, and the effect of inflation on capital outlays.

There is a new proposal for costing: get some 4 000-5 000 farmers to submit monthly returns from which the department of Agricultural Economics and Marketing could evolve continuous computerised cost surveys. But it will take some time to implement.

Meanwhile, the SA Maize Producers' Institute (Sampi), has also put in a bid — for R66 a ton — based on the latest fertiliser price increase. Sampi contends that maize farming is no longer profitable, and that if things go on as they are farmers will swing away from maize into sunflower, groundnuts, or beef.

It predicts a crop reduction of 5%-7% — even more, in which case a point could be reached where there would merely be enough for local consumption, and imports might become necessary.

This is not in line with past experience. Previously, when prices have been depressed, farmers have tended to plant more maize to keep their incomes up. Besides, if sunflower or groundnut production were greatly increased their prices would soon drop — and high beef prices are already causing consumer resistance.

Far from a swing away from maize, SAAU director Chris Cilliers feels some meat producers will turn to maize, which is now more profitable.

In any case, even R60 is too high. Why, after the excellent season they've just had, should not maize farmers absorb *some* part of their cost increases, the Prime Minister has called on other sectors to do?

According to SAAU's proposals, the consumer price would be increased by 7 a ton (14.8%), from R47 to R54. The difference between that and the producers' price increase, it is suggested, could be met by a R4 a ton subsidy.

This isn't right either. Whatever

government decides to do about the producers' price, there's an overwhelming case for holding the consumers' price at its present level. The butter subsidy should have been done away with long ago. And as mielie-pap is still the staple diet of the lower income groups, if the worst comes to the worst the maize subsidy should even take precedence over bread.

Maize price rise hits SA Blacks

The Argus Political Staff

THE staple diet of millions of Blacks in South Africa is affected by the Government's decision to increase the consumer price of mealies by more than 6 percent to R50 a ton.

With mealies being a major base for animal feeds, new pressures will also immediately be felt on producers' costs in the meat, dairy and poultry industries. There is a clear danger that the purses of the country's housewives will be strained by higher consumer prices on a whole range of essential foods.

It is, however, clear from the statement by the Minister of Agriculture, Mr H. Schoeman last night announcing the mealie price increase, that the Government has sought to cushion the inflationary

effect of the 12 percent rise in the producers' price by stepping up subsidies.

THE PRICE

● The producers' price on best grades of mealies delivered in bulk has been fixed at R56 a ton (or R5,52 a bag) for this year's crop. This represents a rise of R6 a ton (or 58c a bag).

● The Maize Board's selling price has been increased by R3 a ton to the consumer with effect from today. The board will subsidise consumers by R3 a ton from its Stabilisation

Fund while State subsidies will increase also by R3 a ton, thus raising the State subsidy from R32,9-million to R42,8-million.

● Producers will get R70-million in payment from profits made on mealie exports of the previous crop. This is equivalent to R7 a ton (or 63c a bag).

● The floor price of class KM1 grain sorghum has been increased from R54 a ton to R62 a ton.

BLACK CITIZENS

Inquiries today have confirmed that the effect of the consumer price of mealie products will hit the Black population considerably harder than any other section.

Mealie meal is the staple diet especially in the Transvaal and the Free State, but also among Blacks in the other provinces.

● It is reported from Johannesburg that farmers have condemned the new maize price.

The consumer got a bargain. Mr Piet Swart, deputy director of the South African Agricultural Union, said today.

He said that in the past year maize farmers' production costs rocketed by about 25 percent and recently the price of fertiliser was increased by almost 40 percent which alone means a cost increase of about R6 a ton.

In compensation they receive a price increase of 12 percent.

The South African Mealie Producers Institute (SAMPI) met today to discuss what Mr Hannes van Wyk, director of the institute called 'an ugly situation'.

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and storage costs, the net price would thus be R51,50.

If the Board has miscalculated and the world price does fall much lower, things could be awkward because the Stabilisation Fund (on account of the high price) has been run down from R60,5m on May 1 1973 to just over R8m at the end of April this year. Over R45m went to producers for "distress payments" and R6,6m to subsidise the consumer price.

Early predictions (according to the Commonwealth Secretariat's *Grain Bulletin*) are that the US will have a bumper crop of between 150m-165m tons compared with 141m in the 1973-74 season. France is expected to plant 1,5m acres more, with rises on a similar scale in other EEC countries. And the Russians are known to be keen to increase their production.

Maize Board manager, Dr A P Scholtz, however, seems unperturbed. He argues that — although it's still too early to predict what the world crop will be — the cost structures of the producing countries have gone up so much that to talk of a drop to, say, R30-R40 per ton is unrealistic.

Moreover, he points out that international reserves are very low, so in the first season of a record crop a lot will be taken up replenishing stocks.

Let's hope he's right.

MAIZE EXPORTS

Will prices hold?

Has the Maize Board been rash in its export predictions? With the high producer price and only a small balance in the Stabilisation Fund, what happens if the world price slumps?

This question cropped up at FCI's Exco in Cape Town when it was suggested that Railways should try to move as much export maize as possible before September as the US crop starts coming onto the market in August.

Dr A T Moolman, for Railways, replied that, as usual, maize exports will have to spread over the whole year. This is a recurring problem. Some years Railways doesn't have to handle any maize at all, so it would be quite impossible suddenly to move 4m tons in a few months. And this year the SAR&H is really up against it with additional coal movements.

The Maize Board, of course, knows this. And the Board's administration estimated an average export realisation for the year of not less than R65 per ton if a revaluation is not revalued. The Maize Board itself worked on R69,50, which is well below current prices. Allowing R13,50 for handling

Kahn takes 18.3.75 Rand Daily Mail lower view of maize *ajnc*

GRAIN merchants believe that the estimate by the Department of Agriculture that the 1974-75 maize crop will be 9 900 000t is too high, Reuter reports.

The department says its estimate is based on conditions at the end of last month and excludes Black areas.

Last year's crop was 11 100 000t, including 500 000t from Black areas.

Merchants say the estimate by the department

has not taken into account damage caused by excessive rains in the maize Triangle, the country's main producing area, over the past couple of months.

Kahn & Kahn (Pty) estimates the crop to be between 8 500 000t and 9 million t given a late frost.

Most other sources, Reuter says, tend to agree with one estimate up to 9 250 000t.

There are differing estimates of the amount South Africa will be able to export from the latest crop, but it is believed that on a crop of 8 500 000t to 9 million t exports of 3-million t to 4 million t would be feasible, including last season's carryover stocks of about 400 000t.

Official comment from the Maize Board on exportable quantities will only be known later.

AMERICA

United States Maize exports in the 1974-75 marketing year will be higher than the 975-million bushels officially projected by the Department of Agriculture, says the deputy assistant secretary of agriculture, Mr Richard Bell.

He told the Illinois Farm Bureau Marketing Conference that grain fed to livestock in the United States would be down by at least 30-million or 20 per cent, from 1973-74. Of this, maize fed to livestock would be down at least 1 000-million bushels in the current year.

Mr Bell said world grain consumption in 1974-75 would decline by about 36-million t, of which United States consumption was forecast officially to fall 29-million t. A smaller usage of food grain was expected in India also and some lowering of grain for feed in Japan.

The Soviet Union and other Eastern European countries, however, were expected to increase grain usage in 1974-75.

Mr Bell said the overall outlook for the maize and sorghum harvest in the southern hemisphere remained favourable.

Maize price rise upsets trade unions

RDM
22/4/75

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Staff Reporter

THE INCREASED maize price announced by the Minister of Agriculture, Mr Hendrik Schoeman, last night, will pulse through the cost structures of animal and dairy farmers forcing up the prices of other essential foods.

Trade union leaders reacted angrily to the announcement and urged higher Government subsidies to hold down cost of living figures.

The Minister announced a R6-a-ton rise to R56 a ton. This is R4 a ton less than demanded by the South African Agricultural Union and R2 a ton less than asked for by the Maize Board.

Initial reaction of farmers has been one of anger. They point out that during the past twelve months their production costs have increased by between 20 and 25 per cent.

The payment of R70 mil-

lion which the minister announced would be paid to farmers from last season's big export profits, farmers claim, is no consolation for the small price increase, they claim.

The selling price to the trade, the Minister announced, would be R50 a ton. The other R6 would be made of subsidies from the Maize Board stabilisation fund and the Government.

And pressure on the Government to increase State subsidies on basic foods is increasing.

Yesterday the country's two biggest trade union organisations reacted to the higher price of maize by appealing to the Government to spend far larger amounts on subsidies.

The president of the Trade Union Council of South Africa, Mr Tom Murray, said the maize price increase would be followed soon by a rise in the price of fresh milk.

A further increase in the

bread price in October emphasised the urgent need for the Government to freeze the prices of essential foods.

"There must be thousands of urban African families who are unable to afford the foods needed for minimum standards of health. These families are hungry and their plight will become desperate unless the prices of basic foods are lowered," he said.

A hungry population, Mr Murray warned, was a discontented and dangerous population. Industrial unrest was never far from the surface in an economy with large numbers of low-paid workers struggling to maintain minimum living standards.

"It would be an investment in security and stability if the Government agreed to spend more on food subsidies," Mr Murray added.

A prominent Afrikaans banker had said a short while ago that "if they don't eat, we won't sleep," Mr Murray recalled.

The president of the SA Confederation of Labour, Mr A. I. Nieuwoudt, said there was an overwhelming case for higher state food subsidies.

The steep rise in the prices of essential foods during the past few months had bitten deeply into the buying power of low income group families.

Food subsidies paid by the State include: bread R56-million; Butter R12,7-million; maize R39,9-million; and cheese R1,2-million.

The SA Institute of Race Relations supported the plea for bigger State subsidies.

The leader of the Labour Party and chairman designate of the Coloured Council, Mr Sonny Leon, said that if only a small percentage of the R1 000-million being spent on defence was spent on holding back food price rises hunger could be prevented in many Black homes.

The maize price row is hotting up. The Maize Board, in a statement issued in Pretoria late yesterday, made it clear it has not accepted the Government's maize price, but is merely administering it.

It may be the beginning of the end for the control board system. The statement will strengthen the hands of the South African Maize Producers Institute (Sampi) which was founded on the principle that consumer members of the board should be appointed direct by the maize producers themselves on an elective basis, and that they should be responsible to their voters.

It is the first time, as far as can be established, that any control board had openly challenged the Minister of Agriculture or, as is obvious in this instance, the Government.

The board points out that it recommended a price of R60 a ton and added a rider that the Government and the board from its stabilisation fund should each contribute R3 a ton as a subsidy to the consumer price to pin this down to R54 a ton.

On April 17 the Minister of Agriculture, Mr Schoeman, informed the board that its proposals were not acceptable to the Government and submitted the Government's counter proposals.

These the board rejected and asked to speak with the Cabinet.

REQUEST

On April 18 the board's management committee had an interview with the relevant Cabinet committee. The board's request was rejected and although the board did not agree with the Government's price, the management committee agreed to administer the maize prices of the Government.

This little comedy made nonsense of the Marketing Act under which control boards have been operating since the 1930s.

It has proved that the Minister of Agriculture and in the final analysis the Government decide on prices and the control boards are merely acting as buffers to cushion Government decisions.

The current inquiry by a committee into the workings of both the control boards and the Marketing Council, the advisory body to the Minister of Agriculture, will have to take serious note of this development.

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3 MAIZE

Maize farmer *RDM 24/4/75* 'bears brunt'

THE NATIONAL Maize Committee of the South African Agricultural Union is "so perturbed" by the new maize price and the outspoken indignation of maize farmers that it has decided to send its executive to discuss the matter, either with the relevant Cabinet committee or with the Prime Minister.

"The fact that this recommendation (for R60 per ton) was not accepted by the Cabinet and that the Cabinet's price of R56 per ton was forced upon the producer, does not impair the confidence which the National Maize Committee has in the producer members of the Maize Board," the statement said.

In a statement yesterday the committee expressed "its deepest disappointment about the new price and especially about the fact that it has to be the maize farmer who has to bear the brunt of the Government's fight against inflation."

In a separate statement, Mr Ben Wilkins, chairman of the Maize Board, said the Cabinet committee had not been prepared to grant the board's request, and although the board did not agree with the Government's price, the management committee had agreed, in accordance with the board's instruction, to administer the maize prices announced.

The committee, through the Maize Board, had earlier recommended a price of R60 per ton, but the Cabinet had set the price at R56 per ton.

— Sapa.

R150m for

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mealie

③ **crop**

25/5/75

Financial Reporter

WITH a near record maize crop in sight the Land and Agricultural Bank is working overtime to calculate just how much money it will require from the Government, through the Reserve Bank, to finance the higher priced crop.

First indications are that the bank will need no more than R150 million, compared with close to R280 million last season and the balance will be found in the highly liquid state of the commercial banks and the money market.

The preliminary figure of financing needs comes from a meeting of the special committee on agricultural credit held in Cape Town, and Pretoria is confident that demands on official funds will be far less than originally anticipated, despite the R56 a ton rise in the maize price.

maize industry stands to make R560-million

3 maize

ARGUS
20/6/75

The Argus Correspondent

JOHANNESBURG. —

The South African maize industry stands to make a gross income of about R560 000 000 this year and the country's balance of payments could be boosted by as much as R280-million if world prices do not drop too drastically.

The fourth estimate of South Africa's current maize crop is 10 465 000 tons against a previous estimate of 10 565 000 tons. This is down on the

Finance 1

11 100 000 tons on the previous season.

The most recent review of the maize position by the Maize Board is that 5 500 000 tons of the current crop will be available for export.

In addition there is still a considerable carry-over from the previous crop which, for various reasons including the 'position' at the ports, has not yet been exported but is available for export after domestic consumption has been satisfied.

The current producers prices for maize varies between R54,57 and R56 a ton, depending on quantity and mode of delivery.

A reliable source here gave the expected total exportable surplus, including the carry-over from last season and the expected surplus of this season's crop for both maize and sorghum at 6-million tons.

World prices are shaky at the moment, varying between R78 and R80 a ton for maize.

In sympathy with other commodity prices, the world price is expected to show a downward tendency because of the world recession.

A further factor is once again transport and it is unlikely that the railways will be able to convey the whole 6-million tons of exportable surplus to the coast.

By next April a carry-over of between 1,5-million and 2-million tons is expected.

THE Nationalist Party has stepped in to resolve a bitter conflict between the Government and militant maize producers.

In an attempt to heal the breach, the party has circulated a secret "explanatory" document to members with influence in agricultural circles.

The circular was drawn up by the Nationalist Party's chief information officer, Dr Roelf McLachlan, MP, with Mr J. J. G. Wentzel and Mr G. F. C. du Plessis, MP.

It instructs Nationalists to try to convince maize farmers that the Government regards them as "partners" in its struggle against inflation and will continue to look after their interests.

The document states: "Let there be no uncertainty about it: the Government has never let the maize farmer down and it has never been its intention to do so."

A spokesman for the South African Maize Producers' Institute (Sampi), Mr Jas Crous, commented: "This is nothing but an attempt to disguise the true state of affairs. The Government has never regarded the maize farmer as its partner and every year sees a repetition of our struggle to get a fair deal for our members."

Mr Crous said that it was likely that the breach between the Government and maize farmers, which came to a head in April, this year, when the maize price was fixed at R56 a ton, could have serious political consequences for the Nationalists.

Both Sampi and the influential South African

Agricultural Union (Saau), which are to amalgamate later this year, had asked for a price of R60 a ton — an increase of 20 per cent over the 1974-75 price of R50 a ton.

Costs

According to the secret circular, several factors contributed to the optimism of maize farmers that their demands would be met. The most important was the steep rise in production costs over a wide front, including labour (46 per cent), fertilisers (10 per cent) and tractors and implements, which had doubled in retail price since 1969-70.

"The Nationalist Party has always been the maize farmer's best partner. But if inflation is to be controlled, the Government has to act in a responsible manner. This means that it cannot always fix prices to meet popular demand," the document says.

Mr Crous said: "The Government's attitude is a denial of the principles of free enterprise which demand that farmers be allowed to fix their own prices for their products."

"The maize price of R56 a ton in no way compensates for the staggering rise in production costs and we will continue to fight for our rights."

"The maize industry is the largest and most important of its kind in the country and cannot be made the scapegoat for inflation."

Maize Board explains those export delays

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STAR

28/7/75

Ivan Philip

The latest episode in the carefully subdued but somewhat tense differences between South African Railways and the Maize Board over export shipments, has unfolded with a "clarification" issued by the Board.

In essence, it says that silos were jammed in April-May because ships did not take full cargoes or did not arrive at all. Then, when the ships did arrive, Railways were unable to provide the agreed number of rail trucks — so the ships had to wait in port.

REALISTIC

The upshot is that the Board will not be able to move 50 percent of the exports by the mid-point of the 1975-76 season. Forty two percent is put forward as a realistic estimate.

But Railways have said that it will be possible to catch up and export the entire projected 3 965 000 tons by the end of the season.

On July 17, a special meeting was called between the Board and Railways management and, according to the Board, they were informed that Railways would be unable to increase the allocation of grain trucks until the summer months.

Commenting recently on the earlier period of confusion, when there was not enough shipping space to clear maize from the docks — particularly East London — a Railways spokesman said that loaded trucks stranded at various points along the line to the port.

They could not be

moved because the silos were full and there were no ships to clear them.

Presumably, it was on the strength of this dislocation that railways were unwilling or unable to supply additional trucks when the log-jam at the port did clear during the second half of May.

LOW-KEY

Meanwhile, both railways and the Maize Board appear to be gritting their teeth and playing it out low-key.

Hopefully the full export programme will eventually be completed. But there will be inevitable costs resulting from the delays to shipping (of as much as a month) that have already occurred.

STAR 11/8/75

Maize men plead

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Farming Editor

The South African Maize Producers Institute is having another round of talks with the Minister of Agriculture later this month in an effort to get more compensation for the maize farmers.

Sampi says that in the first instance the production cost figure of slightly more than R58 a hectare — as a basis for fixing the season's maize prices to the farmer — was much too low.

In the second place, they

say, the actual crop is much less than the estimated 10,8-million tons used as a basis for price fixing in April.

A delegation from Sampi is due to meet the Minister in three weeks. Members will discuss these aspects in an effort to convince Mr Schoeman that some form of financial adjustment should be worked out to compensate farmers for the loss of about R168m resulting from over-estimation of the crop by at least 20 per cent.

The delegation will consist of the Sampi executive strengthened by the organisation's economic adviser, Professor F J du Plessis, head of the department of banking at the Pretoria University and a statistician.

Agri - Maize

SA to sell 1,35-m tons of maize to Taiwan

① Agri - Maize ARGUS 6/10/75
② RA

THE Maize Board reports that it has just concluded an agreement with the Ministry of Economic Affairs of the Republic of China for the export of 1,35-million tons of South African maize to Taiwan.

The maize will be exported over a three-year period, beginning immediately after the present agreement expires on May 31 next year, the board says in a statement.

The agreement follows talks with members of the trade mission which is currently visiting South Africa under the leadership of Mr Y. T. Wong, director-general of the Republic of China's Board of Foreign Trade.

The previous agreement was signed in January 1973.

JUSTIFIED

At the conclusion of the first agreement the Maize Board said it believed that such long-term contracts could make a valuable contribution towards stabilising the market for South African maize in Taiwan and also towards furthering trade in general between the two countries.

The conclusion of this second agreement, together with the fact that a mission consisting of 29 members is visiting South Africa to promote trade in a wide range of goods, shows that this expectation was justified, the board's statement says.

Farmers fail to end rift

16/10/75
Farming Editor

The Minister of Agriculture's three years of striving to heal the rift in the maize producer ranks yesterday ended in failure.

Not enough farmers have shown interest in joining a new specialist organisation for maize producers, within the South African Agricultural Union, and the idea of a new body has been scrapped.

The hatchet was to have been buried yesterday after 10 years of bitter infighting between the South African Agricultural Union and the "rebel" organisation, the South African Mealie Producers and Institute (Sampi) over the question of equal say for all maize producers in nominating their six representatives on the Maize Board.

The Minister wanted most maize producers to join the new organisation as an affiliate of the SAAU. But only 7483 of the target number of 8000 set by the SAAU had applied for membership of the new organisation and have paid their total subscription fees of R22.

And when the full organising committee consisting of six representatives of each organisation arrived in Mr. Schoeman's office yesterday the Minister told them bluntly that the whole exercise was fruitless and that negotiations were off.

REFUSED

3 - maize

He refused the pleas of both Sampi and SAAU representatives to give them another chance to get more maize farmers to join.

Sampi members promised to get another 1000 applications within a month, but Mr. Schoeman remained adamant that he could not continue wasting his time if farmers were not interested.

"I am convinced it will serve no positive purpose to allow the present efforts and uncertainty to continue," he said.

Instead of the organisation, which was aimed at re-establishing unity among maize farmers, the Minister said the Government, the Maize Board and himself would now continue to recognise the SA Agricultural Union as the only mouthpiece of the maize producers.

He appealed to maize producers to forget past differences and join the Agricultural Union.

Blow to free trade



Maize for Taiwan . . . the Board's got it in the bag

Grain traders are furious at the export contract signed last week between the Maize Board and a visiting Taiwan trade mission. "They've pinched our customers again," complains a well-known exporter.

The new 1,35 Mt deal follows on the government-to-government contract signed two years ago and due to expire next May. The earlier contract also raised a lot of dust but the Maize Board has not heeded exporters' protests. In fact, says GM Hendrik Hickley, the Board's negotiations with Taiwan were begun at the specific request of the Taiwan authorities.

But private exporters remain adamant. They say such deals, which bypass the tender system used to sell the balance of our maize exports, are unacceptable because:

- Private traders pioneered the market in Taiwan only to have it snatched away from them in January 1973. Prior to that 27 cargoes had been sold through the tender system to Taiwan buyers. Says one trader: "If the Board had found themselves a new market, I would take my hat off to them. But they've merely taken ours";

- Farmers (and thus the balance of payments) benefit more from tender sales than inter-government deals. Traders claim that, before 1973, Taiwan buyers always paid higher-than-average prices for our maize, thereby forcing Japanese, European and other bidders to raise their offers. Now, with a large buyer out of the free market, they reckon tender prices are lower than they might otherwise have been and that Taiwan is getting its maize at a lower price.

But Hickley reckons he can't find any evidence that prices realised by the Board after conclusion of the agreement are lower than before. However, he refuses to disclose the price formula on which the agreement is based.

Taiwan seems to think it is getting a bargain. So much so that Taipei has banned all maize imports from SA other than those coming in under government contract. Hickley claims not to be aware of any such ban but, in any case, points out that the Taiwan government has sole control over grain purchases and prefers to buy direct from the Board. But the traders counter by pointing out that purchases from the US are made from private companies.

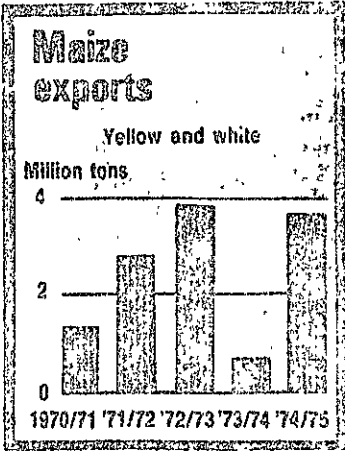
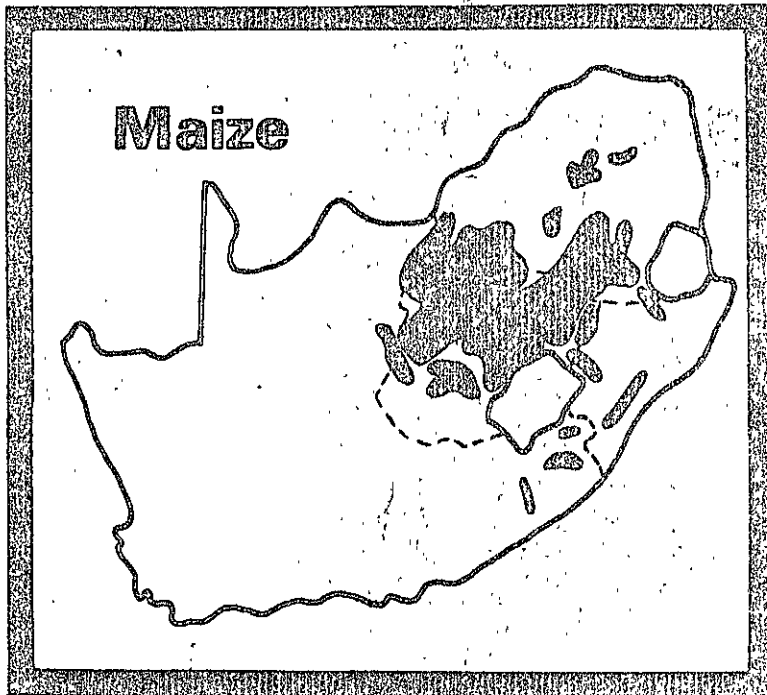
Ironically, farmers support the Maize Board's direct deals with foreign governments. They have been pressing for years for private traders to be cut out of the selling process, believing the traders are unnecessary middlemen. But with their expertise and wide international contacts through the world's giant grain trading companies (Bunge, Tradax, Continental and others), the traders are selling our maize far more efficiently than the Board could ever hope to do without setting up a huge costly intelligence and trading operation. They also point out that they have never failed to take up everything offered for export by the Board.

Hickley stresses, however, that the Board would never sell such large quantities outside the system to endanger its existence, and that it would only sell direct where efforts by exporters to sell abroad would not have borne fruit. That's an assurance exporters won't

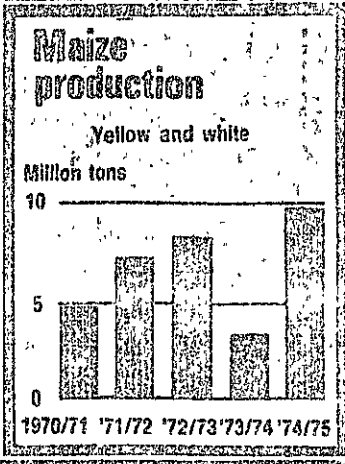
easily forget.

In the meantime, all who are worried by the rising power of the control boards, and their steady encroachment on the terrain of private enterprise will give the grain traders their full backing.

Agri - Maize



and



Looking at prospects for maize

THE prospects faced by the maize industry during the next 12 to 18 months depend on four main factors:

- ① Whether prices will hold on the world market.
- ② Whether the authorities will continue to take a tough line on the local market.
- ③ Whether the ensuing crop will be a success.
- ④ And whether the now traditional transport problems will be satisfactorily overcome.

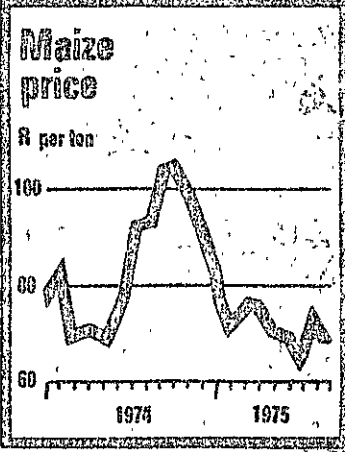
Indications are that world market prices will hold at about R85 a ton, and may even edge up to R95 to R110. But this depends on the outcome of the US crop (which constitutes about 70 per cent of the world's maize exports) and the grain deals with the Soviet Union.

It was initially estimated that the US crop would be

about 154-million tons, compared to last year's disastrous 116-million. However, the revised estimates reflect a 2 to 3 per cent drop in the previous expectations. Consumption in the US during the next 12 months will be about 116-million tons.

The Soviet Union, with its customary secrecy, refuses to provide accurate information about its present grain predicament. However, it has entrusted a team of US officials to look at the crop conditions.

These officials estimate that the Russian grain shortfall is between 25- and 30-million tons. The CIA, using different sources, reportedly puts the shortfall at a stunning 50-million tons — far more than the Soviet Union can hope to buy on the world market.



It is estimated that the Russians have already bought 9.8-million tons of grain (mainly wheat) from the US and 7-million tons elsewhere, and are now hoping to contract for another 8-million tons from the US.

Main reason for this additional demand on the US is that the Soviets are unlikely to get this grain elsewhere. Canada and Australia and other major exporters have already contracted for most of the grain they are willing to let others have.

7.1975

SCHOEMAN FACING A MEALIELAND REVOLT



Mr Fanie Ferreira ... serious.

By JAN VAN DER MERWE

A CRISIS which could embarrass the Minister of Agriculture, Mr Hendrik Schoeman, has hit the maize industry. Maize last year earned a massive R201,7-million in foreign exchange, and is the staple diet of the country's 21-million Blacks.

The crisis arises from a meeting in Klerksdorp this week of 350 district officials of the militant South African Maize "S" Institute

(Sampi). Cheering delegates heard that their executive had taken legal advice on Mr Schoeman's role in the breakdown of talks on the amalgamation of Sampi and the South African Agricultural Union (SaaU). The proposed merger

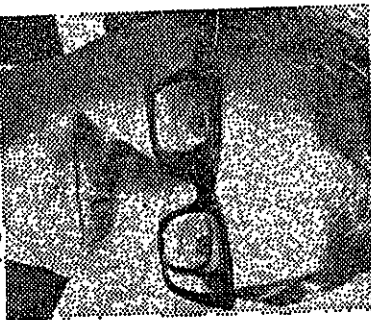
would have welded the country's 17 000 maize farmers, who at present have split representation at Government level by both Sampi and the SaaU into a single, powerful unit.

Sampi's chairman, millionaire maize baron Mr Fanie Ferreira, said that Mr Schoeman had acted "beyond his scope" when he refused to sanction the final talks between Sampi and the SaaU in Pretoria last week. The Minister's decision was "inexplic-

able" and could have "serious repercussions," he said.

"Mr Schoeman obviously lost sight of the fact that a legally-binding, amalgamation contract exists between Sampi and the SaaU. When we asked him to act as chairman in the final stages of the negotiations, we did so because of his reputation as a man who has always placed the interests of the country's farmers first.

"Strangely enough, Mr



Mr Hendrik Schoeman ... facing crisis.

Mr Hendrik Schoeman has, for the past few years, been one of the most active and influential protagonists of the merger. Now

suddenly taken the opposite view," said Mr Ferreira.

More than 7 000 farmers had applied for membership of the new body before Mr Schoeman made his shock decision.

Now Sampi members are to apply for refunds of their affiliation fees to the "new" body.

Mr Ferreira's deputy, Mr Hennie de Jager, went when addressing the meeting.

Millionaire Mr De Jager said that his tears "were those of a man who had been bitterly disappointed."

"Mr Schoeman will yet realise that we are serious," he said.

It is understood that Mr Schoeman's official reason

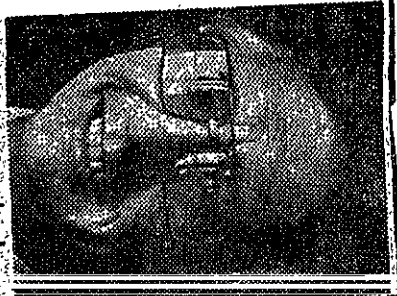
for refusing to sanction the Sampi-SaaU merger is that he feels that an insufficient number of farmers applied to join the new body.

A major factor of the amalgamation talks is that Sampi members feel that their interests — especially those concerning a more "realistic" maize price — have not been adequately maintained in the past.

In a telephone interview Mr Schoeman denied he had acted contrary to the interests of South Africa's maize farmers in deciding against the proposed merger.

"If there is anyone who wants a strong, united body of maize farmers it is I," he said.

Agri - maize



Mr Hennie de Jager disappointed.

MAIZE FARMERS *F.M.*
31/10/75
As you were *Agri-Maize*

Those protracted attempts to heal the rift between Sampi (SA Maize Producers' Institute) and the South African Agricultural Union have come to naught.

Far from this being the fault of the Minister of Agriculture, Hendrik Schoeman, the reason is simply lack of interest



Schoeman . . . caught in the middle

on the part of the majority of maize producers themselves. Indeed, it was Schoeman who took the initiative three years ago in trying to bring Sampi and the SAAU together.

Negotiations under his chairmanship reached the point where an agreement was made to try and establish a new "maize speciality organisation" within the orbit of SAAU. It was left to the Minister to decide whether enough support was forthcoming or not.

Despite a vigorous recruiting campaign, and the fact that the closing date was extended from January 31 to September 15 1975, less than 7 000 qualifying members enrolled out of a total of some 17 000 maize growers.

This number, Schoeman declared, was not representative of the industry. And in view of the intensive drive which preceded the enrolments, he decided to abandon all efforts to form a new body.

The SAAU, through its national maize committee, will therefore continue to be recognised by government, the Maize Board and the Minister, as the only organisation representing maize farmers.

Farmers to STAR 4/276 seek R70 maize price

Farming Editor

KLERKSDORP — The South African Mealie Producers Institute (Sampi) today decided to ask for an increase of 25 percent in maize prices this season.

The price should be R70 a ton, an increase of R14 a ton on the current price, Professor F J du Plessis, Sampi's economic adviser, said at the annual congress here.

Professor du Plessis pointed out that even at that price the country's maize farmers would be worse off compared with the rest of the country. Per capita income had increased by 20 percent, while the real gross income of maize farmers had dropped.

Production costs increased tremendously up to June 30 last year. Fuel prices increased by 76 percent, fertiliser by 61 percent, tractors by 29 percent, implements by 31 percent and spares by 24 percent.

In total, the means of production had more than doubled in the past decade while maize prices increased by less than 44 percent.

BOTTLENECK

Lack of managerial ability among farmers was a bottleneck in solving many problems, Prof P van Z Aucamp, of the University of Potchefstroom, said.

Professor Aucamp opened congress and said researchers had proved that the managerial ability of the farmers decided the success of any farming project.

Fewer farmers were producing food for more people. Production had increased by 122 percent in the past 20 years and the country's population by 54 percent.

He welcomed the fact that at least two universities had announced new degrees in agriculture which would be more suitable to the requirements of practical farmers.

Agric - Maize

Maize farmers

STAR
knees'

5/2/76

after floods

Farming Editor

KLERKSDORP — Maize farmers are in panic over the flooding of their lands, Mr. S E S Ferreira, chairman, told the South African Mealie Producers' Institute today.

"Many will be forced to their knees," he said.

In his report to the Sampi 10th annual congress here Mr Ferreira added: "In some areas, flood damage and drowning of plants accounted for more than 60 percent loss.

"With the current high production cost structure, the maize producer cannot afford a bad crop, let alone a total crop failure," he said.

Mr Ferreira said that in the past three seasons maize was the biggest earner of foreign exchange in the agriculture section.

CASH SUBSIDY

He said in that period producers contributed R40-million in cash from their stabilisation fund to subsidise consumers.

"What worries me is the fact that the Government's contributions to keep down the price of food to the consumer is wrongly presented to the public as the subsidy to agriculture," he said.

Agric - Maize

Maize farmers had had to compete with all other sectors for labour, but these sectors worked a five-day week of eight hours a day while farmers worked six days from dawn to dusk.

"Should we not be able to retain labour at our scales, agriculture will be drained," he said.

The congress adopted a resolution requesting that a deferred payment (agterskot) be paid on last season's crop. Such payment should not be taken into account when fixing maize prices for this season.

are
on

5/2/76
**Mealie price
may jump**
RDM
Staff Reporter
KLERKSDORP.—A 25 per cent increase in the mealie price to R70 per metric tonne will be recommended to the Government by the South African Mealie Producers' Institute, the institute's congress decided yesterday.
This is an increase of R6,36 a bag.
Professor F. J. du Plessis, advising economist of Sampi, said different factors, including a sharp rise in production costs, meant that last year's price should be increased.

Agonc - maize

F.M. 23/1/76

SAMPPI v THE REST

There is a thorn in government's side which won't go away. It's the SA Maize Producers' Institute (Sampi), set up 10 years ago to promote the interests of maize farmers.

Sampi readily admits it "has known antagonism and opposition since its inception". It is not recognised by the Maize Board (which regards the National Maize Committee of the SA Agricultural Union as the mouthpiece of SA's 17 000 maize farmers) and its producer price recommendations are officially ignored.

Latest blow came last October when Minister of Agriculture Hendrik Schoeman refused to sanction the formulation of a new body which would have included SAAU and Sampi members. The Minister stated at the time that "the government, the Maize Board and I will continue to recognise the SA Agricultural Union as the only mouthpiece of the maize producers".

But Sampi is undaunted. Chairman Fanie Ferreira has been nominated by Uniegraan (which co-ordinates co op activities) as its candidate for a vacancy on the Maize Board.

In early February the Institute holds its 10th anniversary congress in its Klerksdorp. Later in the month it plans 20 mass meetings of maize farmers in various Transvaal and Free State towns. The meetings will be aimed at giving Sampi a much-needed boost and are likely to focus on maize producer prices — due to be determined by the Minister of Agriculture during April and always a hot issue among farmers.

Officially, the Maize Board ignores Sampi's price recommendations. But the Institute does manage to submit them directly to the Minister and puts considerable pressure on farmer members of the Board to support its proposals. This season's recommendations look like starting a storm.

Sampi has just published what it claims to be the first scientific survey of maize production costs. "At pre-



Maize . . . there's a "big screw loose" somewhere

sent," says the survey, "there is a big screw loose somewhere." While the Department of Agricultural Economics & Marketing calculated last year's maize production costs at R58,75/ha, Sampi reckons the cost of the present crop at R150,27/ha. In other words, it is likely to call for a producer price hike of close on 200%!

Not surprisingly, the Institute's critics accuse it of distorting facts and figures, and a lack of objectivity which a body without executive responsibility can afford. They point out, for instance, that Sampi's production cost estimate implies a production break-even point of around three t/ha — a yield which hasn't been achieved even in the best season.

It's difficult to gauge how much support Sampi enjoys among farmers. It has the backing of several wealthy maize barons which enables it to make its lusty voice heard more loudly than

the more reticent SAAU. And obviously many smaller farmers are sympathetic to Sampi's demands. Sampi points out that the circulation of *Landman*, its monthly newsletter, is 12 000.

Most observers of the maize scene agree, however, that the majority of farmers are happy with the SAAU. This is borne out by the fact that only 7 000 farmers indicated a willingness to join the proposed new body last year. (Sampi, on the other hand, reckons this constitutes a majority of *bona fide* maize farmers.)

Sampi's vociferous supporters are not giving up. As the latest issue of *Landman* puts it: "Sampi's continued existence is not necessarily tied to recognition. The organisation will continue to act as a watchdog over the maize industry and go on with the good work which, as in the past, has shown up deficiencies in the industry."

RDM 19/1/76.

Agri-Maize

Record 19/1/76 maize season

Agricultural
Correspondent

THE 1974/75 maize season was a record for the industry because of favourable weather and high export earnings.

The report on maize for the financial year 1975, just released by the Maize Board, says the 1974 crop amounted to 11.1 million tonnes compared with the crop of 4.16 million tonnes the previous year.

The Board says this record crop was due to favourable climatic conditions and high export earnings.

The gross export earnings of R297,65 million for the season were approximately 71 percent above the previous record in 1972/73.

The Maize Board says that international maize prices reached new heights during the season mainly because of setbacks suffered by the U.S. maize crop which was hit by bad weather.

According to the Board, the average export realisation was R91 per tonne compared with R61 per tonne the previous season.

The Board also reports that the area planted to maize on White-owned farms increased by 24 percent over the previous year's area and the total area planted was 4.48 million ha.

RDM 26/2/76

Agric - Maize

Maize farmers could lose R56-million

Staff Reporter

WITH Weather Bureau assurances that the heavy rains are past, South Africa's multi-million-rand agricultural industry is licking its worst wounds in many years — after the rain and hail damage to crops, particularly maize.

A top agricultural economist of the Department of Agricultural Technical Services said: "We have no idea how great the damage is. We have men making assessments, but it will be two to three weeks before we venture a firm opinion."

At most a drop of 15 to 20 per cent is expected on last year's crop.

Unofficial Maize Board estimates are that production will probably be 1-million tonnes lower than last year.

This means a drop of about 12 per cent, in hard figures a drop of R56-million, to farmers on earnings, if prices are maintained at last season's level.

However, sunflower crops had benefited from the heavy rains.

Vegetable crops generally have suffered. A plague of late blight has affected potato crops, which could push up the price.

SET FAIR FOR FISHERMEN

F.M. 27/2/76

The SWA inshore fishing season opens on Monday yet there is precious little scientific data for the guidance of fishermen — the Division of Sea Fisheries' research programme has ground to a halt.

Marine scientists do not want to work "in scientific isolation" in Walvis Bay. The Fishing Industry Research Institute has closed its Walvis Bay office for the same reason. Attempts are now to be made to persuade the authorities to allow scientists to work out of Cape Town.

On the political front there are persistent rumours, some of them possibly fishermen's tales, that Soviet freezer trawlers are violating the 12-mile fishing limit and upsetting the ecological balance in the pilchard sanctuary between Cape Cross and the Kunene mouth. No formal protest appears likely because the Russians in any case consider SA presence in SWA illegal.

There is, however, no evidence to suggest that the 1976 season will be much different from last year when raw fish landings were 759 225 t (837 476 t) and the total for the combined SA/SWA fisheries was 1,6 Mt (1,23 Mt).

From an earnings point of view, given roughly the same pattern of catching as last year, there are a

number of plus factors fishing companies can look forward to:

- Export prices of fishmeal look like firming in excess of \$300/t cif Rotterdam/Hamburg, so that on an fob basis there is going to be very little difference between realisations on the home and export markets (the domestic price is pegged at R200/t for nearest station);

- Production of meal of the combined fisheries should once again be in the region of 240 000 t of which about 100 000 t will come from the Cape inshore fishery. A significant feature of the 1976 season, however, is that Abe Shapiro, chairman of the Fishmeal Producers' Association, expects domestic offtake to be 74% of total production, compared with 62,5% last year and 53,5% in 1974.

Where this implies gross sales of R48m based on last year's production, fishing meal will doubtless increase efforts in SWA go improve anchovy landings which in 1975 slumped to 194 367 t (254 607 t).

On the canning side, where the Walvis Bay pack is once again expected to be about 10m cartons, fishing men are hoping that the encouraging advances recorded on the domestic market last year will continue. South Africans now eat 45% of

the pilchard pack. According to market research studies, 70% of Blacks do not eat canned pilchards because marketing effort until now have been confined to urban areas, so enormous growth may lie in the rural and Homelands areas.

Due to the payments difficulties of some important African countries, notably Zaïre, whose offtake dropped from 1,4m cartons in 1974 to about 800 000 cartons in 1975, the industry has a stock carry-over equal to six weeks' sales — about 1,2m cartons. If all goes well in the marketplace (there may be a big sales breakthrough in one or two West African countries) sales could rise 10% this year to R80m-R90m.

Another promising note is that rock lobster catches are as good as ever and that quota-holders will have no trouble catching their allotted 400 000 5-kg units which should earn them in the region of R14m.

On the expenses side, the industry will have to contend with higher fuel costs and possibly further rises in the price of cans. SWA labour costs will rise another 20% when pay hikes go through for 6 000-7 000 Ovambo contract workers who, incidentally, will have seen their wages rise 74% in three years by the end of the 1976 season.

Agri - Fishing

Agri - maize

Business Mail

Maize crop set to ^{RDM} go lower _{10/3/76.}

IT IS not expected that this year's maize crop will reach last year's 9 100 000 t because of unfavourable climatic conditions during planting, and excessive rains in the western maize-producing area, says the Maize Board.

In drawing up estimates for the 1976/77 season, the board will make certain assumptions regarding weather conditions, area planted and domestic requirements.

Area planted to maize this season amounted to 4 550 000 hectares, slightly up on last year's 4 490 000 ha.

Assuming a crop ranging from 7 500 000 t to 9-million t South Africa can export between 1 710 000 t and 3 210 000 t.

The quantity of maize for export depends on the size of the crop, gross domestic consumption as well as the surplus carry-over from the 1975/76 season.

SURPLUS

The board estimated total carry over into the new season will amount to 1 560 000 t (1 020 000 t white and 543 000 t yellow) excluding 662 000 t surplus (459 000 t white and 203 000 t

yellow) from the previous year.

Domestic consumption is estimated at 6 450 000 t made up of 3 550 000 t white and 2 890 000 t yellow, against 6 260 000 t for the 1975/76 season (3 570 000 t white and 2 690 000 t yellow).

The board says the devaluation of the rand last September favourably affected maize export prices. Several factors, such as the possible early recovery of the South African economy, an improvement in the trade balance as well as a decline in the rate of inflation, may induce the Government to revalue the rand.

PROFIT

The result would be that South African maize prices would drop and export earnings would decline.

Profit after costs for export maize in the 1975/76 season is estimated at R62 900 000.

Smaller feed grain crops in the countries of the Southern Hemisphere, such as South Africa, Argentina and Australia, are likely to cause world market prices to remain favourable in the first half of the season.

Subsequently, price changes on the world market will be affected mainly by production expectations in the most important production countries in the Northern Hemisphere.

In the light of the feed grain supply in the Northern Hemisphere in the second half of the season, it may be expected the world market will remain sensitive to any changes in expectations in respect of the crops in those countries and world market prices will respond sharply.

— Reuter.

Agric - maize

CALL FOR DEARER MAIZE

NM
27/3/76

PRETORIA — The South African Agricultural Union has recommended a maize price increase of about 20 percent to the Maize Industry Control Board, it was learnt in Pretoria yesterday.

The recommendation comes after two separate meetings of the committees to assess the production costs increases of the past 12 months.

That the producer price will be increased is certain. The Minister of Agriculture, Mr. Hendrik Schoeman, has confirmed that farmers will have to be compensated for the steep rise in costs.

And just as certain are price increases in other primary products, including wheat, fresh milk, butter, cheese, condensed milk and powdered milk.

Last year, food subsidies were increased to more than R150 million

VAST DEFICIT

This year, however, the Government, with a vast deficit looming in the national Budget, committed to a drastic anti-inflation policy, which had included slashed State spending, will be in a far less favourable position to raise subsidies than it has been for the past 10 years.

Mr. Schoeman has intimated that the Treasury will find it extraordinarily difficult to find the funds to keep the consumer prices of basic foods at current levels.

The grim prospect, therefore, is that the prices of maize and maize products, bread and other wheaten products as well as milk products will all be higher by June.

Maize crop estimate is still dropping

STAR 26/4/76.

The official estimate of the country's maize crop dropped by more than 600 000 tons in the past month and experts now predict that it will drop still further as more accurate information on the effects of the excessive rains becomes available.

The new figure is put at 7,8-million tons for the country, but the higher figure of last month's estimate of 8,1-million tons has been taken as a basis on which the farmers' price will be based.

Crop size plays an important role in the price-fixing formula of the De-

partment of Agricultural Economics and Marketing and the Maize Board. They argue that a high yield per hectare brings down production costs per ton of maize while the reverse is true in low yields.

Even so, the producer price is expected to be well above the R56 a ton paid last year. The Minister had already pointed out that production costs have rocketed since last season — for one thing fertiliser prices for the current crop went up by almost 38 percent.

The experts disagree on both the size of the crop and the price they expect. The South African Mealie Producers' Institute (Sampi) estimates the crop at less than 6-million tons and has asked for R70 a ton, plus a deferred payment from the export profits in the stabilisation fund.

Neither the South African Agricultural Union nor the Maize Board have given an indication of the price they regard as reasonable, but there can be no doubt that their recommendations will be somewhere between last year's price and the Sampi price.

If the Sampi estimate is near the mark, it will mean that almost half of last year's exportable crop will have to be retained for local consumption.

Agric - maize

Up production of maize ^{29/4/6} — council ^{DD}

PRETORIA — In a statement issued here, yesterday the consumer council urged producers of maize and their co-operatives to try to achieve even higher production per hectare and millers and processors of maize to also attempt to lower costs by increased efficiency.

The statement said the recently announced price increase would of necessity concern the consumer on a number of levels. The consumer would be directly affected when buying maize and maize products while a considerable adjustment would be caused to the household budgets of a large section of the population whose staple diet is mealie meal.

In addition, as yellow maize was used as food for slaughter stock, the increase would affect the floor price of stock. The same would apply to the poultry and dairy industries.

The consumer council was fully aware of the maize producer's production problems resulting from increased costs. The council also gave full credit to the important role the maize industry played in the country's economy — internally and

in respect of exports and the balance of payments.

"Looking at the overall picture, the consumer council appeals to the producer and his co-operatives to strive for a still higher level of technical and economic efficiency in the production processes and, in addition to this, attempt to achieve higher production per hectare;

"To millers and processors of maize products to also attempt to lower their costs by increased efficiency, the elimination of un-economic overlapping, more economical packaging etc, and to pass these savings on to the consumer;

"To consumers to eliminate all extravagance in the use of maize products and to encourage their judicious use", the statement said. — SAPA.

Agri - maize

31/7/76 STAR

Maize drop gives SA a R100m blow

Pretoria Bureau

South Africa's balance of payments will be dealt another R100-million blow this year by the lower maize crop.

The harvest, which suffered badly from excessive rain earlier this year, will be some 16 percent down on last year's 9 140-million tons crop, according to the latest estimate of the Department of Agricultural, Economic and Marketing.

What's left for export will be only half that of last year which earned South Africa about R297-million in foreign exchange.

BLACKS HIT

Recent tender prices by export agents have been good, but a Maize Board spokesman said South Africa would be unlikely to exceed the R180-million mark for its maize exports this year.

This is R117-million down on last year's export earnings.

Mealie meal users, mainly the Blacks, have been hit by the 16 percent price rise in April which was necessary to compensate growers for rising production costs.

Mr Jack Fick, secretary

of the SA Maize Millers' Association, said the association had recommended a price rise of 18 percent for mealie meal and 20 percent for other maize products in May, to meet the grain-price rise and increased milling and distribution costs.

Despite the drop in the maize harvest, farmers' income will be only R10-

million down on last year's R512-million, because of the higher grain price.

This relatively slight drop in income is not spread evenly throughout the maize growing area as farmers in the Western Transvaal, who were worst hit by the February floods, will bear the brunt of the setback.

(3-) maize
90.

Minister's mealies infested

5 Feb
19/11/24

A consignment of worm-infested mealies was received by a Johannesburg marketing agent this week — and he claimed it had been supplied by the Minister of Agriculture, Mr Schoeman.

Mr Eddie Ashkar, of the firm W L Ochse and Company, said he received 76 bags of mealie cobs from one of Mr Schoeman's farms near Marble Hall in the Eastern Transvaal on Wednesday.

He said they were infested with worms.

The market manager declared the mealies unfit for human consumption and ordered them to be destroyed.

The mealies would have fetched R1,50 a bag, or R114 for the 76 bags.

Tickets on the bags read: Hendrik Schoeman, Marble Hall.

Mr Ashkar said: "Mr Schoeman has been one of my regular suppliers for more than 20 years now. Never could I, or any of the agents I know, complain about one of his products."

The foreman of the farm from where the mealies came apologised for their condition and offered to collect them for use as cattle feed.

Mr Ashkar said he doubted whether Mr Schoeman knew about the worm-infested consignment.

He blamed the intense heat and rain of the past few days for the mealies' condition.

Maize

price

STAR

rise

21/4/76

'a blow'

While farmers clamour for an even higher maize price, the 18 percent increase granted yesterday will hit families throughout the country, experts have warned.

Fears are mounting that the increase will lead to profiteering by unscrupulous shopowners.

The maize price increase is expected to lead to increased prices for mealie meal and various cereal foods. The increase, which was announced yesterday by the Minister of Agriculture, Mr Hendrik Schoeman, has been deplored by Johannesburg African leaders.

The price of a 5 kg bag of mealie meal is expected to "go up" by between 5c and 10c.

SHOCKING

Commenting on the price rise today, Mrs Sally Motlana, president of the National African Housewives' League, said:

"This is shocking. They don't think of a rise in pay packets and when we complain they say we are agitators."

An appeal to the Government to subsidise the price of mealie meal to avert the price rise was made today by Mr Shimane Khumalo, a leading Johannesburg social worker.

He stressed that maize was a vitally important basic food for Africans and he appealed to retailers to absorb as much of the price increase as possible.

A WEEK

Mr T J Makhaya, chairman of the Soweto Urban Bantu Council, asked if the increase could be avoided if South Africa stopped exporting maize. He said there were many families in Soweto which could not afford to buy enough food.

Millers and retailers said today that it would take at least a week before a new price for mealie meal was decided on. However, they agreed that it would be in the region of 5c to 10c more for a 5 kg bag.

One supermarket manager warned of possible profiteering.

He added that generally, the new price should become effective only on about May 5.

Many farmers are unhappy with the new maize price and there are claims that this will lead them to produce other crops instead or to simply "disappear."

The South African Mealie Producers Institute (Sampi) is up in arms and has warned that it will not accept the price increase.

The South African Agricultural Union and its affiliates have accepted the price, although they "aimed at a higher price," a spokesman said.

① 246
② Agric - maize

Agri - maize

Sampi objects to probe report

RD 11/6/76

Western Transvaal: JOHANN STOLTZ

THE South African Mealie Producers Institute (Sampi) has strongly objected to recommendations by a parliamentary commission giving the Minister of Agriculture far-reaching powers over prices and the mark-up of agricultural products.

The decision was taken by chairmen and secretaries of the institute at a recent conference in Orkney after a report on the matter was tabled in Parliament by the committee appointed to investigate the marketing law.

They also opposed a recommendation that money of producers be used by means of a loan for exclusive finance of the South African Agricultural Union, and stated that this could lead to dissatisfaction and have drastic consequences.

Referring to a recommendation in the commission's report that money in a stabilisation fund be used only to keep prices constant when allowed by economic situations, the conference objected that the principles of loan and

deferred payments on all primary products be eliminated.

The conference decided that the management of Sampi draw up a memorandum on the matter for submission to the Minister of Agriculture and all Members of Parliament.

It was also decided that the management continue to build Sampi up in the interests of the mealie producers and not allow negotiations to be a disadvantage.

The civil defence movement in Klerksdorp recently received a certificate from Lieutenant-General Magnus Malan, Chief-designate of the South African Defence force for an emergency plan of action having the necessary requirements for an "A" classification.

The certificate was handed to Mr Polla Grobler, Mayor of Klerksdorp, by a senior member of the defence force, and later given to Mr J. C. Louw, head of the civil defence organisation and Town Clerk.

③ bread.

248.

Daily bread gets a price boost

Mercury Reporter

BREAD made at the Mariannhill monastery is being bought and sold at almost twice the price by Durban and Pinetown stores.

The brown and whole-wheat bread, which is made at the monastery and has become popular throughout the area, is sold at 17 cents a loaf at the monastery gate shop.

In Durban and Pinetown it sells at between 28 and 30 cents a loaf.

Father Edwin, who runs the monastery, yesterday said he was "disappointed" that the bread was being sold at a higher price commercially.

Mrs. Wenche Klesche, of Pumpernickel delicatessens in Pinetown and Durban which sell the bread at the higher prices, said their prices were justified because of the costs involved — the purchase and distribution of the loaves.

MAIZE

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3

MAIZE

Cutworms cut the maize harvest

By GRAHAM BROWN

IF THE drought doesn't get you the cutworms will.

This is the lament of farmers in the eastern Free State whose maize crops have been spared the severe drought hitting the Transvaal only to become victims of a cutworm invasion.

Farmers fear that the heat-wave of the last fortnight will cut their harvests by half.

Although scattered showers have brought some relief to most of the growing areas, rainfall is down by 50 per cent in marginal areas, and the eastern and northern Transvaal are having their hottest and driest January in four years.

Crops in the south-western Transvaal around Schweizer Reneke and Wolmaransstad, where the mealies are in their critical seeding stage, are being scorched.

The wheatlands of the Springbok Flats in the northern Transvaal are so dry that cracks up to a metre deep have appeared in the soil.

Wheat harvests are 30 to 40 per cent down on the 1975 figure and farmers fear heavy losses if there are no rains in the next three weeks.

3 maize

Wilting Natal maize in danger

STAR 1/3/77

Own Correspondent
MARITZBURG — The driest February in at least 63 years has wilted maize crops and pastures to danger point in the Natal interior.

Heavy crop losses could follow if there is no rain within the next few days,

according to a Natal regional agricultural spokesman.

Maize crops were most promising a week or so ago but were now starting to wilt.

They had been living off December and January's rain.

At Cedara there was 24,5 mm of rain this February, which was less than a fifth of the average of 127,1 mm for February for 63 years.

In the Bergville and Winterton areas some farmers had maize stands with a potential produc-

tion of nearly 100 bags a hectare.

If rains fell soon a good crop would almost be assured.

Underberg farmers have planted a larger than usual amount of quick-growing Japanese radish

for winter feed because of severely reduced maize and lovegrass yields.

Chairman of the Ixopo Soil Conservation Committee, Mr Dudley Honeysett, said that farmers at Donnybrook, Ixopo and Umzimkulu had replanted their ryegrass pastures.

3 maize

RDM 21/3/77

Mealie men are planning a big price increase

Staff Reporter

A BIG increase in the maize price — swelling producers' income to more than R700-million — is expected in April.

In Pretoria today the SA Maize Specialists Organisation (Samsa) will meet to decide how big an increase farmers should demand.

It is expected to be between 10 and 15 per cent, raising the local price from R65 to R70 a ton.

First estimates put this year's mealie harvest at 9 400 000 tons.

However weather conditions have been favourable and a crop exceeding 10 000 000 tons is possible.

If so, it would leave an exportable surplus of about 3 500 000 tons after

providing for local consumption and for South Africa's export commitments to neighbouring territories.

This would earn South Africa about R300-million in valuable foreign exchange.

Overseas maize prices are currently about R100 a ton while the local price is R65 a ton.

The Minister of Agriculture, Mr Hendrik Schoeman, has said that producers will have to be compensated for soaring production costs.

He has also emphasised that the likelihood of higher Government food subsidies this year is remote, which means consumer prices are likely to rise steeply from the beginning of May.

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A punch in the guts

3-MAIZE
FIN. MAIL 15/4/77

Millions of South Africa's poorest consumers will be in for a severe shock if the Cabinet agrees to the massive 22% increase in maize prices, which the *FM* understands is being sought by the Maize Board.

In line with recommendations by the SA Maize Speciality Organisation (affiliated to the influential SA Agricultural Union), the Board has apparently proposed that the price paid to farmers for best quality maize be lifted by 15.4%, from R65/t to R75/t. The price at which the Board sells to millers — and thus the determining price for sales of mealie meal to consumers — is slated to shoot up from R59/t to just over R70/t.

Should the Cabinet accept these proposals — Minister of Agriculture Hendrik Schoeman is expected to announce its decision within the next fortnight — it is bound to provoke a howl of fury. A rise of the magnitude suggested by the Board will mean that the price of a basic foodstuff will have soared by no less than 40% in just two years.

What's more, because of the mechanics of the price increase, Pretoria may also incur the wrath of maize millers.

Though this year's maize harvest will exceed last year's by some 2.1 Mt (grown on 2% less land), no one denies that farmers deserve a hefty increase for their product: last year's producer price was R3/t below the SAAU's recommendation, while fertiliser and petrol price hikes have hit farmers particularly hard.

But even if it grants farmers the 15.4% hike, government could still easily avoid burdening hard-pressed consumers with a corresponding (or even bigger) increase.

This would necessitate, firstly, a realisation that subsidies on basic foodstuffs should *not* be among the victims of Pretoria's budget-paring at a time when the masses are already hit by unemployment and shrinking real earnings; and secondly, a juggling of some of the present payouts.

At present, maize consumers benefit from four separate handouts. One — to the tune of R9,50/t — is used to defray handling, storage and administration costs of the Maize Board and its agents. A R3/t consumer subsidy comes from the Exchequer, while State funds also contribute to a subsidy on railage. A

further R3/t is paid out of the Stabilisation Fund, which has been built up from export profits.

The squeeze on public spending has unfortunately prompted Schoeman to urge control boards to slash subsidies to the bone. In the case of maize, the budgeted grant for 1977/78 is R50,4m, compared with R61,7m for the previous financial year. Furthermore, the railage subsidy is being reduced from R11,8m to R9m.

Apart from the drop in the railage

with the Maize Board and the matter is at a delicate stage."

Should government not have the good sense to heed the millers' protests, Minister Schoeman will hopefully also turn a deaf ear to pleas from farmers (whose representatives constitute a majority on the Maize Board) that export profits belong to them, and not to consumers.

Last year, according to February estimates, farmers received R49,8m from the Stabilisation Fund, compared with a paltry R17,6m payout to consumers.



A thought for them Mr Schoeman, please

rebate, the brunt of the cut in subsidies will fall on millers and co-operatives, who, as the Board's agents, get between R1 and R2/t for handling and storing the maize crop. The Board proposes to do away with these handouts, a move which would force millers to recoup the subsidy from consumers. According to one miller, this would push up the price of an 80 kg bag of mealie meal by at least 20c.

Needless to say, the millers are fighting the proposed cut tooth and nail. Says Jack Fick, secretary of the Maize Millers Association. "We're having negotiations

This imbalance should be redressed.

The Maize Board's producer price in itself is calculated to provide a reasonable return to farmers under normal conditions. Export profits — which during 1976/77 have averaged about R34/t — are no more than a windfall bansela. Couldn't local maize consumers benefit equally from such good fortune, just as the sugar industry has had to subsidise domestic prices heavily out of export earnings? (Maize farmers prefer to forget that in the past, when local harvests were poor, consumer levies have helped build



A bigger load for consumers

up the Stabilisation Fund. Few doubt that should the Fund be exhausted in the future, producers will again be quick to press for a reimposition of such levies).

The Maize Board expects the Fund to total R35,6m at the close of the 1976/77 season on April 30. Though next season's export prices are likely to be considerably lower than this year's (thanks mainly to higher world grain stocks), SA's foreign earnings from maize will be boosted by larger export volumes - hopefully 2,7mt, against this year's 1,5mt.

On the optimistic assumption that export profits next season reach R45m (R33m in 1976/77), the Stabilisation Fund balance on April 30 1978 would be just over R80m. Schoeman wisely insists

that at least R25m of this be kept in the kitty to cushion the effects of a poor crop later. But he should also insist that the remaining R55m be shared equally among farmers and consumers, thereby allowing for a payout to consumers of R4/t. or R1/t up on consumers' present share of export profits through the Fund.

If consumers were to get an extra R1/t from export proceeds and the subsidy to millers were to remain unchanged, the new selling price could be cut to just below R70/t. This reduction would go at least some way to ameliorate the plight of the poor.

Schoeman should not pass up this opportunity to prove that his sympathies lie as much with consumers as with farmers.

The farmer officially employs the teacher, subject to B.E.D. approval, and it is thus the owner of the farm, or the principal of the school with the owner's permission, who appoints and dismisses teachers, subject always to normal B.E.D. regulations. The teacher's salary, if his appointment is approved by the Department, is paid in full by B.E.D. and can thus be regarded as a further subsidy. It is nevertheless the farmer's task to find suitable candidates although this may be left to the principal in larger schools. This is usually accomplished through approaches to workers on the farm itself or to the local inspector of education who is likely to have a list of prospective applicants.

As schools are usually situated at some distance from the nearest village or town, the teacher is normally housed, by private agreement with the farmer, on the property itself. The prospect of housing numbers of teachers may act as a disincentive to expansion of schools with the attendant demand for further teachers.

PUPIL ENROLMENT

In order to attempt to evaluate the penetration of education into the rural environment comparison of enrolment over a time span is useful. This question will be dealt with more fully later but it is apparent that the proportion of children in farm schools has remained fairly constant over 13 years.

Mealie meal up 40c a bag

Natal Mercury 16/4/77

CAPE TOWN — The consumer price of maize has been increased by about 23 percent — a staggering rise in the price of the staple food of millions of Blacks.

The Minister of Agriculture, Mr. Hendrik Schoeman, said in Cape Town last night that the producer price had been increased from R65 to R74 a ton.

The price of mealie meal has therefore risen by more than 40c for a 12,5kg bag.

This is expected to be the year's biggest cost of living blow to tens of thousands of Black families living in or on the verge of poverty.

The crop of about 9,4 million tons will earn farmers their richest-ever total income of more than R700-million.

The export surplus of nearly three million tons is expected to earn the country nearly R300-million in foreign exchange.

Prices on overseas markets now exceed R100 a ton.

Mr. Schoeman said the producer would pay a levy of 40c a ton. This meant a net payment to the farmer of R73,60 a ton.

The selling price of the Maize Board to millers will rise immediately from R59 to R71,50 a ton. When the millers' margins are added the increase to the consumer will be about 23 percent.

Mr. Schoeman said the higher prices were due mainly to rising production costs and R15-million reduction of the State subsidy.

Bread

The minister also announced a rise in the grain sorghum price to R81 a ton.

Mr. Schoeman has already said that a bread price increase is inevitable. It is expected to rise by about 2c a loaf.

The United Party's agricultural spokesman, Mr. Warwick Webber (Pietermaritzburg South) predicted yesterday that the price rise could result in an increase of 20 percent in the price of staple foods.

He said that while the

increase in price to the producer was to be expected in view of increased production costs, the additional increase to the consumer could in no way be justified.

It was, he said, effectively an indirect tax on the public which would go straight to the Government, and at the expense of the lowest income group.

③ MAIZE

Wins kom nou boere toe

Deur Vick de Klerk

DIE nuwe mielieprys van R74 per ton, plus die feit dat geen verdere subsidies uit die wins op die uitvoer van mielies aan verbruikers betaal word nie, skep nuwe moontlikhede vir die mieliebedryf.

Die uitvoerwins wat nou na die boer gaan, kan die gemiddelde produsenteprys in die huidige goeie seisoen opstoot tot byna R80 per ton.

Die netto prys van R74 per ton aan die boer is net 13 persent hoër as verlede jaar se R65 per ton. En beslis nie genoeg om die kostestygings in die bedryf te dek nie — om nie eens te praat van Sampi se geraamde produksiekoste van R88 per ton nie.

Die verbruikersprys het met 21 persent gestyg van R59 per ton tot R71,50 omdat die subsidies aansienlik verminder is. Die subsidie van R3 per ton wat verlede jaar uit die mielieraad se Stabilisasiefonds betaal is, vervul nou en die staat se subsidie daal van R3 per ton tot

voerbare oorskot van 2,6 miljoen ton.

Die huidige oes word op 9,4 miljoen ton geraam en hiervan sal die binnelandse verbruik ongeveer 6,8 miljoen ton wees. Dit laat die mieliebedryf in die nuwe seisoen met 'n uitvoerbare oorskot van 2,6 miljoen ton.

Die verwagting is dat die buitelandse mielieprys oor die volgende twaalf maande 'n daling sal toon. Maar dit is onwaarskynlik dat die gemiddelde prys wat op uitvoer verdien kan word, tot minder as R95 per ton sal daal. Dit kan selfs R100 per ton wees.

Verdere opbou

As daar dus aangeneem word dat die boere R73,60 per ton kry plus 'n uitvoerwinst van R15 per ton, lyk hul inkomste uit die totaal van 9,4 miljoen ton soos volg: Binneland, R690 miljoen; uitvoerwinst R40 miljoen vir 'n totaal van R730 miljoen.

Hierdie R730 miljoen is gelyk aan 'n prys van R78,00 per ton vir die totale oes en seker heelwat beter as wat die meeste boere verwag het. In hierdie berekenings het ons aangeneem dat die hele volgende uitvoerwinst aan die boere betaal word en dat niks teruggehou

word vir die verdere opbou van die Stabilisasiefonds nie.

In sy oorsig van die mielieposisie verwag die Mielieraad dat die Stabilisasiefonds op 30 April vanjaar 'n batige saldo van R35,8 miljoen sal toon. Hierdie geld bly nou die van die mieliebedryf

Aanspraak

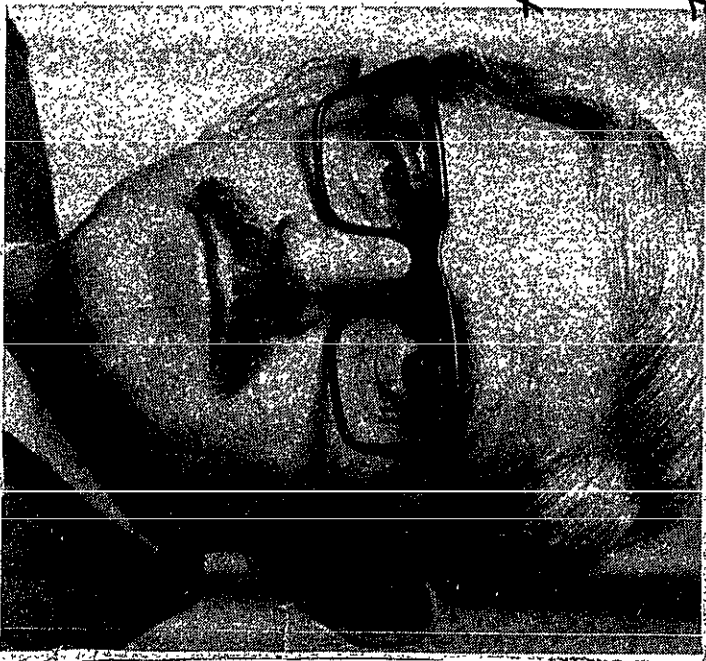
Maar omdat subsidies in die toekoms blykbaar nie meer 'n aanspraak op die Stabilisasiefonds gaan he nie, is dit ook net reg om te verwag dat die mieliebedryf voortaan self sal sorg vir enige verliese op uitvoer. En om hierdie rede kan dit dalk raadsaam wees om 'n deel van die uitvoerwinst tot die Stabilisasiefonds te voeg.

Die belangrikheid van 'n gesonde mieliebedryf vir die land word baie duidelik vertel uit die volgende syfers.

In 1976 was die bydrae van landbou, bosbou en vissery tot die land se Bruto binnelandse Produk R2 034 miljoen. Teen R74 per ton is die bydrae van die huidige mielieoes byna R700 miljoen.

In Suid-Afrika praat ons dus eerste van mielies en dan van die ander landboubedrywigthede.

Die waarde van die verwerkte 2,6 miljoen ton wat uitgevoer kan word, is R250 miljoen of meer aan buitelandse valuta, of byna genoeg om die noodskuld wat ons verlede jaar by die Internasionale Monetêre Fonds moes aangaan, terug te betaal.



MNR HENDRIK SCHOEMAN, Minister van Landbou, kan blykbaar gerus slaap oor die nuwe mielieprys wat hy Vrydag aangekondig het. Mielieboere het min rede tot klages, want volgens die nuwe formule kan die boere na aan R80 per ton vir hul produk kry.

MAZIE
Sake - Rapport
17/4/77

VRYSTELLING: 18 APRIL 1977 OM 10h00

3-MAIZE

TOESPRAAK DEUR SY EDELE HENDRIK SCHOEMAN, MINISTER VAN LANDEBOU,
BY GELEENTHEID VAN DIE AMPTELIKE OPENING VAN DIE EERSTE KONGRES
VAN DIE SUID-AFRIKAANSE MIELIE-SPECIALITEITSORGANISASIE (SAMSO) TE
KLIPPOORT 18 APRIL 1977

Dit is vir my aangenaam om te konstateer hierdie eerste kongres van SAMSO amptelik te kan open. Ek vertrou dat hierdie organisasie, wat onlangs maar sy eerste treë as die amptelik erkende mielie-organisasie gegee het, in die toekoms steeds van krag tot krag sal gaan en sal voortgaan om op 'n verantwoordelike wyse 'n belangrike rol tot heil van die land se mieliebedryf te speel.

Terwyl ek uit die aard van die saak teleurgesteld is dat die onlangse pogings wat aangewend is om eenheid in die mieliebedryf te bereik, weer eens skipbreuk gely het, is ek tog tans optimisties dat SAMSO as

instrument/.....

-2-

instrument kan dien om wel eenheid in die voorsienbare toekoms onder ons mielieproducente te bereik.

Tydens die vorige jaarkongres van die Suid-Afrikaanse Landbou-unie, is die Unie se konstitusie gewysig om dit moontlik te maak om spesialiteitsorganisasies binne die raamwerk van die georganiseerde landbou daar te stel vir bedrywe wat daarom vra. Op hierdie grondslag is SAMSO as 'n geïntegreerde spesialiteitsorganisasie vir die mieliebedryf binne die raamwerk van die georganiseerde landbou daargestel, met 'n die reglement wat aan die mieliebedryf die maksimum mate van outonomie verleen.

Die ou strydvraag van 'n sogenaamde spesialiteitsorganisasie al dan nie, het dus

applied/.....

aspirasies van die mielieprodusente, ook van diegene wat tans nog buite staan. As integrerende deel van die Suid-Afrikaanse Landbou-unie, wat steeds erken word as die mondstuk van die landbou in Suid-Afrika, spreek dit vanself dat SAMSO deur my en van cwerheidsweë erken word as die enigste mondstuk van die mieliebedryf.

In die lig hiervan wil ek, in hul eie belang, 'n baie ernstige beroep op ons mielieprodusente doen. Bewerkstellig eenheid en sluit u geledere binne 'n sterk, amptelik erkende mieliespesialiteitsorganisasie, deur in te skakel by SAMSO.

In die tye waarin ons leef, kan ons mielieboere nie voortgaan om verdeeld te wees nie. Ek is bewus van die pogings wat aangewend is om eenheid/.....

eenheid te bewerkstellig deur die gesamentlike stigting van 'n nuwe mieliespesialiteitsorganisasie. Ongelukkig was dit nie moontlik om eenheid langs hierdie weg te bereik nie. Dit is jammer dat die poging skipbreuk gely het. Ek weet egter dat die mielieprodusente die bereiking van eenheid vurig verlang en dat hulle nie bereid is dat persoonlikhede langer in die weg van eenheid staan nie. Daarom is ek daarvan oortuig dat die mielieprodusente my raad en beroep sal aanvaar : begrawe die ou strydbyle en verkry self eenheid deur u geledere te sluit binne SAMSO, die erkende mieliespesialiteitsorganisasie wie se deure wyd oop staan vir alle mielieprodusente wat positief hul deel wil bydra tot die uitbouing van 'n gesonde mieliebedryf.

Die mieliebedryf/.....

Die mieliebedryf, waarmee n as lede van hierdie nuwe mieliespesialiteits-organisasie uit die aard van die saak veel te make het, is by verre die grootste enkele landboubedryfstak in die Republiek. Dié bedryf beklee dan ook 'n sleutelrol in die landbouesektor, asook in ons landsekonomie. Nagenoeg 40% van Suid-Afrika se bewerkbare grond - bykans 4,5 miljoen hektaar - word jaarliks met mielies beplant. Dit beteken 'n land mielies so groot soos 'n rugbyveld vir elke Suid-Afrikaanse gesin van vier persone. Ongeveer 35 000 boere - meer as 40% van die totale boerebevolking - plant mielies op kommersiële skaal.

'n Aansienlike gedeelte van die landbouesektor se ekonomiese aktiviteit berus derhalwe direk of indirek op die mieliebedryf. As verskaffer van
voedsel/.....

voedsel is die mieliebedryf indertyd een van die voorstes. Mielies in die vorm van graanprodukte voorsien 35% van die energie, 34% van die proteïen en 17% van die vette wat die gemiddelde Suid-Afrikaner in sy daaglikse dieet inneem. Daarbenewens is mielies ook die belangrikste voërgraan en lewer dit uitersaard 'n belangrike indirekte bydrae tot ons dieet in die vorm van produkte soos vleis, melk en eiers - ook beduidende komponente van ons daaglikse dieet.

On the output side we also have the maize industry's indispensable role with its export operations. The agricultural industry is, as you know, the biggest earner of foreign exchange after the goldmining industry. With the balance of payments difficulties which we experience, many eyes are turned to the agricultural sector. This sector, and in particular

the maize/.....

the maize industry, can again this year, as in the past, make a big contribution to raising our export earnings. In 1974 the value of our maize exports amounted to R203 million. In 1975 this reached R302 million and last year, it is estimated, the value of maize exports was R234 million in total. And maize can again this year see us through if the expectations of a crop of 9,4 million tons are realised.

The inputs in the maize industry similarly play a very important role in our economy. The total amount which the industrial sector receives from the maize farmer annually in exchange for implements, fertilizer, fuel, etc. amounts, without doubt, to a considerable sum of money. For instance the maize industry expends annually approximately R100 million on fertilizer/.....

on fertilizer while it consumes about R50 million worth of fuel.

Die mieliebedryf se pad is natuurlik nie net met rose besaai nie. Hy het ook sy probleme. Die grootste enkele probleem waarmee hy te kampe het, is, soos u weet, die onsekere weersekerstandighede in ons vernaamste mielieproduksiegebiede. Suid-Afrika is nie 'n ryk landboukundige land nie en dit is eintlik 'n pluimpie vir ons land se mielieboere dat hulle hul produksieprestasies voortdurend verbeter. En as ons in ag neem dat Suid-Afrika se bevolking binne die volgende 25 jaar nagenoeg sal verdubbel, kan mens 'n idee vorm van die uitdagings waarvoor u as mielieboer te staan gaan kom in die toekomst. Projekasies van mielieproduksie toon weliswaar dat die mieliebedryf ten minste vir die volgende 20 jaar

in staat/.....

in staat sal wees om in ons binnelandse behoeftes te voersien, dog dit is duidelik dat die beperkte oppervlakte-uitbreidingsmoontlikhede ook beperkings plaas op voersieningsmoontlikhede. Trouens, kenners meen dat daar reeds te veel marginale en submarginale mieliegronde onder bewerking is, en dat groot skommelings in die jaarlikse produksie verwag kan word namate daar voortgegaan word met hierdie praktyk.

Die mielieprodusent sal hom derhalwe in 'n baie groter mate moet instel op vertikale uitbreiding. Gelukkig het hy die tegnologie aan sy kant. Ek dink hier aan die toepassing van beter bemestings- en bewerkingspraktyke; verbeterde mieliekultivars; en ook verdere ontwikkelings wat in die teekoms tot nog groter mielie-opbrengste en verbeterde

mieliekwaliteit/.....

mieliekwaliteit kan lei.

Die verdere uitbouing van die mieliebedryf, en die verwagte toename in mielie-opbrengste, sal egter ook nuwe en groter eise aan produsente stel. So byvoorbeeld, sal die huidige tendens van vergroting van produksie-eenhede voortduur. Mielieplase word groter en sal in die teekoms al groter word. Hoewel hierdie tendens doeltreffendheidsvoordele inhou, en gevolglik ook groter winsmoontlikhede meebring, plaas dit 'n steeds toenemende risiko op die skouers van 'n krimpemde getal mielieboere. U weet wat dit vir u kos om 'n hektaar mielies te plant. Ons weet hoe hard dit selfs 'n sterk boer slaan as hy een misoes tref - en dit kan so maklik in ons land gebeur. Hierdie risiko word

geleid/.....

geleidelik onder minder boere verdcol, en ek vra my af of die mieliebedryf dit kan bekostig om sy produsente op hierdie wyse af te staan. Dit is nie ondoeltreffende boere wat hier ter sprake is nie. Dit kan van ons bekwaamste boere wees wat getref word - mense met uitstekende kennis van mielieverbouing.

Daar is ook ander aspekte, soos die groter eise verbonde aan die finansiering van produksie. Steeds groter insette word vereis en daarby styg pryse ook voortdurend. Hierdie probleem van finansiering en die risiko wat daarmee gepaard gaan, is maar enkele van die probleme waarmee die mieliebedryf in die toekoms in 'n toenemende mate mee te kampe sal/.....

kampe sal hê. Die bedryf sal seker vir baie jare daarmee kan saamleef, maar dan is dit uiters belangrik dat die beste talent betrek moet word by die bepaling van beleid en die bestuur van die bedryf. Die heersende en toekomstige uitdagings kan alleen die hoof gebied word deur 'n kragtige produsente-organisasie. Ek vertrou dat SAMSO aan hierdie vereistes sal voldoen en dat hy die belange van die mielieboer en die hele mieliebedryf ten alle tye op die hart sal dra.

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UITGEREIK DEUR DIE DEPARTEMENT VAN INLIGTING
OP VERSOEK VAN DIE MINISTERIE VAN LANDBOU

KAAPSTAD
18 April 1977



Cutting maize plants for silage.

3 Maize

Maize price: farmers bear a heavy burden

22/4/77 JWB

In The Star of April 16 spokesmen for the Consumer Union, Black Sash, Housewives League and an MP condemned the meagre rise in the maize price as "unjustified" and "too high."

The table shown here — quoting official figures — shows positively that the maize farmer has subsidised the community by an amount of R1 110 500 000 over the last three seasons. The current season's figures

are not available but it is a safe assumption that the producer will have to contribute a further R500 000 000 (see diagram).

The background is that the farmer is obligated to sell his product to the co-operatives at a price determined by the Maize Control Board and since both institutions are under Governmental influence, the net result is that the producer receives about half of the world price for his product. The

position is further aggravated by the farmer having to pay prices higher than prevailing world prices for the purchase of equipment required for the carrying on of his operations.

Whilst not going into the ethics of the new price, it is patently evident that the producer is bearing a crippling and disproportionate share of the so-called Government food subsidies.

W R Bryden
Johannesburg.

Season	Deliveries to Maize board agents	Price paid by board per ton	Average world price per ton	Underpayment
73-74	3,30-m ton.	R45,90	R70	R79,53-m
74-75	9,80-m ton	R50,45	R100	R485,58-m
75-76	8,14-m ton	R56,00	R123	R545,38-m
				<hr/> R1 110,50-m

MAIZE PRICE ARITHMETIC

	1977/78 (R)	1976/77 (R)
Gross producer price for best grades delivered in bulk	74,00	65,00
Less: Special levy to cover Maize Board admin costs	0,40	—
	73,60	65,00
Plus: Cost of storage, handling and admin	•	9,50
Less: Government subsidy	•	9,50
Less: Consumer subsidy	2,50	3,00
Less: Contribution from Stabilisation Fund	—	3,00
Board's minimum selling price for best grades of maize	71,50	59,00

* Not yet determined (New miller's levy of R2,40/t will be taken into account).

Table No.

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weekend proves he is as good as his word.

Though the new producer price (see box) is R1/t lower than that asked for by the Maize Board, farmers have little to grouse about. They will be particularly pleased that Schoeman has abolished the consumers' share of export profits, which for the past three seasons had been pegged at R3/t.

Farmers will thus have sole rights next season to the Stabilisation Fund into which export profits are paid. With R36m in the Fund at the end of the current season on April 30 and a more profitable export season in the offing (despite lower world prices), chances are that farmers will get at least as big a payout next year as the R50m budgeted for in 1976/77.

per hectare than white SA maize producers. Moreover, US farmers — among the world's most efficient — get a substantially lower price for their corn than SA producers.

Before the end of next season, Schoeman would do well to ask the National Productivity Institute to take a look at the efficiency of the country's 17 000 maize farmers.

Maize consumers have no reason at all to "dank die Minister". The Board's selling price to millers has zoomed 21%, from R59/t to R71,50/t. In addition, government has reduced the railage rebate on maize from 37,5% to 20%.

The delivered price of maize on the Reef is now R78,81/t, compared with R60,96/t a year ago. The rail tariff on maize to the Cape Town area has almost doubled in the past year, with the result that the delivered cost has soared by 28,3%.

Fortunately, millers' other costs have not risen as fast, so the price of mealie meal and other maize products will not go up quite as steeply as the maize price.

MAIZE PRICE Dank die minister

FIN MAIL
22/4/77
3-MAI76

Hendrik Schoeman is fond of saying that his first duty as Minister of Agriculture is to look after the country's farmers. The huge hike in maize prices announced last

And don't forget that the SA maize farmer is less efficient (but gets a higher reward) than his counterparts in many other countries. According to the Maize Board's own figures, farmers in the US, Argentina, China and Yugoslavia (among others) produce a higher yield

- 11 Some Official 'Guesstimates' of the of African Children of School-going Actually Attending Primary School
- 12 Proportion of African Children Aged Living in Rural 'White' Areas and F Farm (Primary) Schools in 1972, by Region
- 13 Proportion of 'Coloured' Children 7 Years Living in Rural 'White' Areas Cape and Enrolled at Farm (Primary) in 1975, by Economic Region

On the Reef, the millers' price for a 12,5 kg bag of special grade maize meal will be hiked by 20,7% from R1,44 to R1,74.

There's another aspect to the maize price increase which calls for investigation — this time by the Price Controller.

The same government which refuses to allow retailers to apply sales tax or excise duty increases to stocks on hand insists that all maize held in stock by millers must bear the new price increase. Millers will have to send cheques to the Maize Board making up the difference between the old price (which they have already paid) and the new price on all tonnage they held last Saturday.

The reason for this is to prevent millers pocketing any profit on sales at the new prices from stocks. Fair enough, but why should maize be treated differently from cigarettes, chocolates and refrigerators?

MAIZE EXPORTS *FIN MAIL*
Half-steam ahead *27/8/77*

3-MAIZE
A bumper maize crop invariably means king-size headaches.

Last Friday, the SAR asked the Maize Board to postpone to August three export cargoes from the previously-agreed July programme of 20 shipments and to move one cargo from East London to Durban. The reasons given by Railways are the increased demand for bulk grain trucks for internal maize deliveries and the heavy passenger traffic during July. It's not clear why these problems could not be foreseen when the July programme was drawn up last month.

Though both Railways and the Board are confident that there will be no further

disruption later in the season, others aren't so sure. Of this year's total maize crop of 9,5 Mt (against 7,3 Mt last year), about 2,9 Mt are earmarked for export. This is almost double last season's export programme and will mean an average of 16-17 cargoes having to be shipped each month. Because of the relatively small May and June programmes (22 cargoes altogether), some of the Maize Board's later offerings are likely to be well above this average.

Moreover, domestic demand for bulk grain trucks will be even heavier after August, when millers buy a greater share of their requirements from Maize Board depots rather than direct from farmers.

More worrying than the shortage of railways trucks is the continuing weakness of Chicago corn prices, on which bids at Maize Board tenders are largely based. Average prices paid for SA white and yellow maize in March were around R108/t and R105/t respectively. By April tender prices had fallen to R103/t and R96/t, and at last Wednesday's tender the average prices realised were only R96/t and R88/t. (This week's tender saw a slight recovery in both white and yellow prices.)

At these prices the Maize Board is selling at a loss, and already dipping into its Stabilisation Fund, which at the end of last season stood at around R35m.

(Farmers receive about R74/t, while transport and storage cost the Board around R25/t.)

Huge carry-overs, good winter grain crops in major northern hemisphere production areas, and lavish spring plantings will keep world prices down for several more months. Should SA tender prices also keep falling, the Stabilisation Fund will reach dangerously low levels.

In retrospect, Agriculture Minister Hendrik Schoeman's decision last month to withhold an *agterskot* to farmers and abolish the consumer subsidy from export proceeds was prudent and timely.

Mealie farmers have a bonanza year ^{(3) MAIZE}

Staff Reporter

MEALIE farmers have had a golden year, with a gross income expectation of about R700-million—nearly 50% higher than last year's figure.

Vital foreign exchange earnings from the export of the nearly 3 000 000 ton surplus—double last year's—is expected to approach R300-million.

The crop this year is estimated at 9 500 000 tons— one of the biggest on record. The maize price was increased on May 1 from R65 to R74 a ton.

Farmers point out, however, that although the figures on paper are impressive, their production costs right across the board have risen steeply in the past year, and are still rising.

A senior official of the Maize Board yesterday said the Railways were confident they could move the large export surplus to the coast within the current export year.

Because of a big crop forecast in the United States and Russia, the price on world markets has

sagged and export maize was currently being sold abroad at a loss.

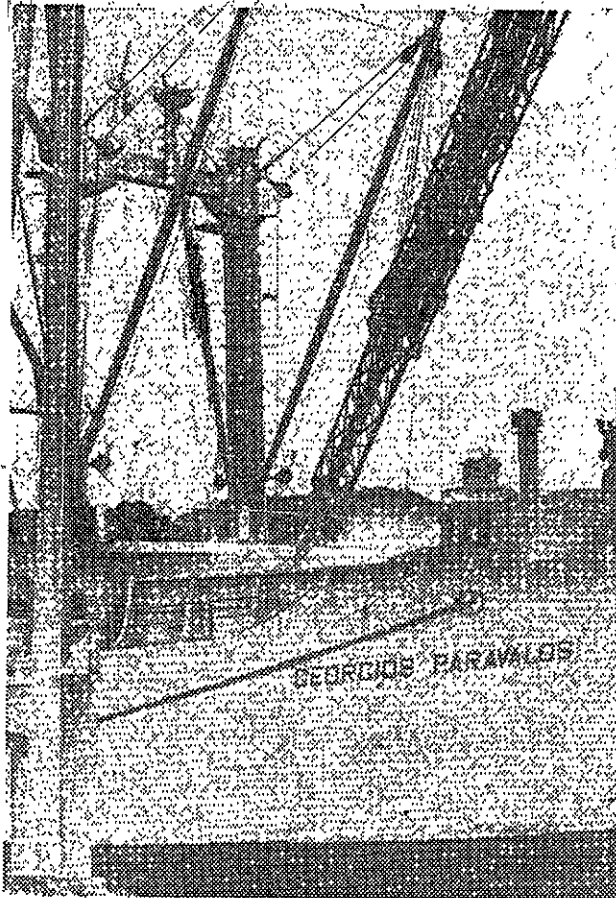
The "break even" price, the official said, was about R98 a ton. The last tenders received by the board offered R86 a ton.

He pointed out, however, that the world market price was vulnerable to fluctuations, and that improvements could be expected.

The US crop was still in the ground, and its ultimate size would depend on weather conditions over the next few months.

D.D. 10/7/77

3-Maize



Export maize pours into the hold of the Georgios Paravalos from the East London grain elevator this week.

Maize boosts Border trade

EAST LONDON — A greatly improved South African maize crop has brought a mini-boom to East London's economy.

The grain elevator will reach its maximum capacity next month when 13 ships, each taking about 15 000 tons, will be loaded for export.

This will mean 200 000 tons of maize will be railed into the city, off-loaded into the elevator, then pumped into the ships' holds. And expectations are that activity on the same level will continue until about January or February before it starts to tail off.

In July, maize exports from East London totalled 125 698 tons, and this month is expected to be about 135 000 tons, with nine maize ships scheduled to call here.

This compares favourably with last year, when there was a maize intake at the East London elevator of between 120 000 and 160 000 tons a month, but shipments began to fall away as early as September and October.

The South African maize crop this year of 9,46 million tons is roughly 30 per cent better than last year's 7,3 million tons and, as a result, the export quota has been increased from 1,5 million tons to 2,8 million tons — although this is still below 1972's record crop.

As a result, South Africa's maize farmers will earn an estimated gross revenue of R700 million — nearly 50 per cent more than last year — and there will be a significant effect upon foreign exchange earnings, in which East London will play a major part.

— BUSINESS EDITOR

5/2-16/7/77

Market Bill — a step backwards'

3-Maize

A. HO. H.A.
Farming Editor.

The Marketing Amendment Bill recently introduced in Parliament will place agriculture squarely into the hands of politicians, the SA Maize Producers Institute (SAMPI) says.

It has no doubt that "this big step backwards for agriculture" will be accepted by parliament, which is "definitely not agriculturally orientated."

The statement is published in the institute's journal, *The Maize Farmer*, SAMPI, which represents a large section of the maize farming community, is not

officially recognised by the Minister of Agriculture, and is waging a constant battle against the fact that its rival organisation, Samso (the SA Maize Speciality Organisation), enjoys recognition through its affiliation with the SA Agricultural Union.

Sampi says the amendment seeks to give the minister the right to charge a levy on agricultural products, and that this money will go towards meeting the costs of the SA Agricultural Union.

The Act would give him

absolute controls over the Control Boards, and the little bit of bargaining power which producers now enjoyed under the present Act would fall away.

The effect would be that the Minister had the final say over the prices of agricultural products.

The new Bill also sought to give the Minister sole discretion over the import and export of agricultural products. The Control Boards would be consulted, but have no real say.

The legislation arises out of the parliamentary commission of inquiry into the Marketing Act.

Sampi records that, after the commission was named, it sent it a memorandum. After the commission's report was published, Sampi commented and made objections. A copy of its views was sent to all members of parliament, and in September last year, Sampi held a seminar in Johannesburg on the future trends of agricultural marketing.

The Institute's appeals fell on deaf ears, it complains.

Sake - Rapport
③ mielies

17/7/77

Mielie - uitvoer ,ontplof'

Deur DAVID MEADES

SUID-AFRIKA se uitvoerprogram vir mielies vorder buitengewoon goed. Die verwagting is dat 1,4 miljoen ton meer mielies in die lopende seisoen uitgevoer sal word, wat vir die land sowat R130 miljoen meer as verlede jaar sal kan verdien.

Die Mielieraad verwag om in die jaar wat op 30 April 1978 eindig, sowat 2,9 miljoen ton mielies uit te voer. Dit sal met die vorige seisoen se 1,5 miljoen ton vergelyk, wat teen 'n gemiddelde prys van sowat R109 per ton verkoop is.

Die wêreldpryse wat vir ons wit en geel mielies behaal word, beloop op die oomblik sowat R100 per ton vir wit mielies en sowat R90 per ton vir geel mielies. As daar oor die jaar 'n gemiddelde prys van sowat R95

per ton behaal kan word, sal dit 'n verdienste van sowat R288 miljoen op 'n uitvoer van 2,9 miljoent beteken.

Die sowat 1,5 miljoen ton van die vorige seisoen het 'n bedrag van sowat R160 miljoen vir die land verdien. Dit is dus duidelik dat die landbou tesame met die goeie wolskeersel vanjaar 'n groot bydrae tot die land se betalingsbalans sal maak.

Wisselvallig

Maar die nuwe seisoen het nog maar pas begin en

daar kan nog baie dinge vorentoe gebeur. Vir eers word die mielie-oes nou deur die Mielieraad op sowat 9,5 miljoent geraam, teenoor die vorige seisoen se 7,3 miljoen ton.

Die pryse wat op die wêreldmarkte behaal word, toon ook 'n taamlik wisselvallige neiging. Op die oomblik lyk dit of die wêreld se oesvoorsigte in die algemeen goed is en dit kan pryse afwaarts laat neig.

Maar ook hier kan die onvoorspelbare weersgesteldhede die neiging skielik verander. Dit wil egter tog voorkom of 'n gemiddelde prys van tussen R90 en R100 per ton vir die nuwe seisoen 'n goeie raming kan wees.

Verskepinge

Met die uitvoerprogram vir Augustus reeds ook op dreef, raam die Mielieraad die totale verskepinge vir die eerste vier maande van die nuwe seisoen op 49. Elke verskeping verteenwoordig sowat 13 000 ton, met 'n opsie aan die koper om 15 persent meer of minder te neem.

Dit verteenwoordig 'n syfer van 767 000 ton vir die eerste vier maande, wat met 1 497 653 vir die hele vorige seisoen vergelyk.

Uit die raming van 'n uitvoer van 2 881 000 ton vir die hele seisoen, is dit ook duidelik dat die Mielieraad meen dat die maandelikse verskepinge vorentoe nog verder sal toeneem.

Die nuwe seisoen is met 'n oordrag van 925 000 ton van die vorige seisoen begin. Dit is heelwat minder as die 1 546 000 ton waarmee die vorige seisoen begin is.

En met 'n oes wat op 9 512 000 geraam word, kom die totale voorraad van die Mielieraad vir die nuwe seisoen op 10 489 000 ton te staan. Die beplande uitvoerprogram sal dit tot 7 608 000 laat krimp. Die Mielieraad meen om dan die nuwe seisoen met 'n voorraad van net 900 000 ton af te sluit.

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D.D. 18/8/77 Supp. D.D. 3-Maize
Stemming rot is a crop booster

Stem rot is becoming more prevalent in many maize growing areas, particularly under dry conditions. Thus, in late summer 1975, many fields in the drier parts of the upper Rhine valley were very badly laid.

It has for long been known that potash is effective in improving the standing power of maize. Many experiments, especially on potash fixing soils, showed some time ago that there was a positive correlation between increased potash application, reduced incidence of stem rot and higher yield. Recent experiments in Germany have confirmed the connection and also shown a similar influence on root rots. In these experiments, stem rot was reduced by a half — from about 30 per cent to ten to 15 per cent.

Similar results were obtained for the effect on root rot, which is often the starting point for the later stem rot. Here again the effects of disease were reduced by half with a resultant yield improvement of 800 kg to one tonne grain per hectare.

The resulting extra gross margin, after deduction of fertiliser cost, was of the order of DM 280 (about R100) per hectare, a very good return. Many farmers in this area have known for a long time that high potash dressings of 250 kg or more per hectare markedly reduce stem rot



Dr J. N. Marais and the Dean of the Faculty of Agriculture, Fort Hare, Prof. Earl Graven, at a plant density project — no stem rot here.

if they do not completely prevent it. The reason for this effect is not so much just the improved nutrient supply, but is ascribed to the special function of potassium in regulating the water economy of plant. This traditional knowledge is confirmed anew in maize growing.

Recent experiments show that, as yet, chemical control of this trouble is not possible. Thus it is all the more important to take advantage of other

possible means of disease control and generous potash manuring is certainly a step in the right direction.

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No railway crisis, says SA maize chief

By Richard Paris,
Transport Reporter
South Africa's export
maize surplus which cannot
be transported in 1981
will be shipped out next
year, the general manager
of the Maize Board said
yesterday.

Mr Hennie Nel denied a
report that lack of capaci-
ty on South African rail-
ways and "a major trans-
port crisis" meant that
only two-thirds of the cur-
rent export crop could be
moved.

The SAR and the Maize
Board agreed in January
and February to transport
between 5 million and
5.5 million tons of export
maize during the 1981-82
season, well above previous

figures. A Railways spokes-
man said this was the
maximum it could cope
with in view of the capaci-
ty of trucks, lines, grain
elevator equipment and
ships available.

NO BIG CRISIS

"A big system like the
SAR normally has a
reserve capacity to absorb
fluctuations of traffic. Due
to the financial recession
of the late 70s, cash provi-
sion for a number of
capital projects was dec-
reased over a few years.
This resulted in a delay
in completion of some of
the big improvement
schemes in the system as
a whole," the spokesman
said.

Sake-rapport 13/11/77

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3 mielies

SAMSO, die Suid-Afrikaanse Mieliespesialiteitsorganisasie het nou meer as agtduisend lede. Hierdie ledetal is binne agt maande ná die totstandkoming van SAMSO bereik.

Mnr. Johan de Beer, sekretaris van SAMSO, het aan Landbou-RAPPORT gesê dat die feit dat SAMSO in so 'n kort tydsbestek so baie

lede gekry het, 'n bewys is dat die mielieboere tevrede met SAMSO en sy beleid is.

Die stadium is nou ook bereik waar daar begin kan

word om 'n werklik gespesialiseerde diens te lewer. Die diensleweringsprogram sal dan ook vroeg in die nuwe jaar aangekondig word.

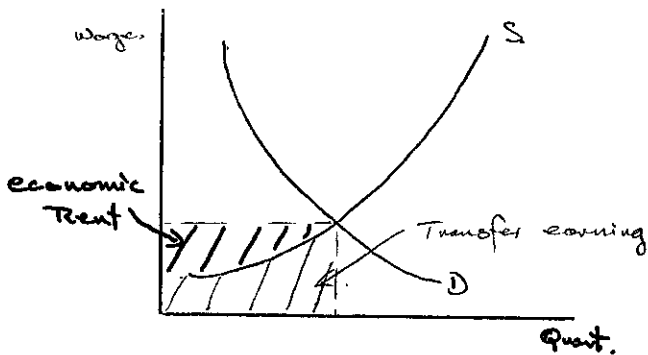
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P. 6

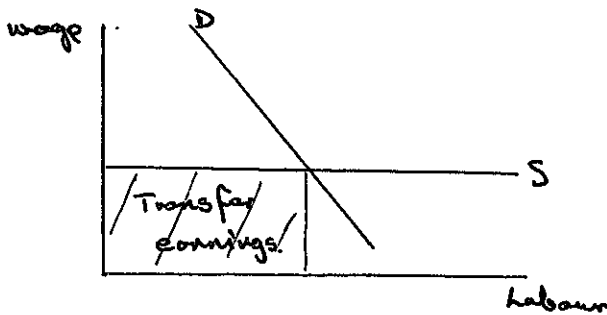
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SAMSO het vandeeweek 'n ledetal van 8 040 behaal, wat eintlik gesien moet word teen die agtergrond van die vorige landwyepoging in die landbou om lede vir so 'n organisasie te werf.

Dit was in 1975 toe die Minister van Landbou, mnr. Hendrik Schoeman, geprobeer het om eenheid tussen die Suid-Afrikaanse Landbou-Unie en Sampi te bewerkstellig.

Met hierdie poging kon net sowat 6 500 lede vir die stigting spesialiteitsorganisasie getrek word. Mnr. Schoeman het toe beslis dat dit te min is om verteenwoordigend van die bedryf te wees en gesê dat hy 'n syfer van 8 000 as verteenwoordigend sou beskou.

Die SALU het toe op sy eie voortgegaan om 'n spesialiteitsorganisasie op die been te bring nadat verdere samesprekings met Sampi op die nippertjie misluk het.

Mnr. De Beer sê dat SAMSO nou behoorlik gevestig is. Hy was die afgelope agt maande in noue kontak met die mielieboere en het sowat sewentig vergaderings in hierdie tydperk toegespeek.

Hy is daarvan oortuig dat die grootste deel van die tweedrag wat onder die boere bestaan het, iets van die verlede is. Die meeste mielieboere besef dat die tyd vir twis en tweedrag verby is en dat hulle nou in belang van hul bedryf moet optree.

Mnr. De Beer verwag ook dat SAMSO oor die komende maande sal voortgaan om aansienlik verder te groei. 'n Duidelike bewys daarvoor is dat talle mielieboere wat voorheen passiewe waarnemers van SAMSO se bedrywighede was, nou vurig meewerk in die uitbouingsproses.

Lupiëne

LUPIENE in die Swartland is tans met Amerikaanse bolwurm besmet. Boere word gevra om op die uitkyk daarvoor te wees en dit met 'n geregistreerde middel te bespuit.

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Weste bring sy kant

3 mielies
baie sterk
13/1/77

DIE mielieboere van Wes-Transvaal is baie sterk besig om 'n al hoe groter deel tot die land se landbouproduksie by te dra.

Uit syfers wat onlangs deur mnr. Hendrik Schoeman, Minister van landbou, verstrekk is, blyk dit dat die gemiddelde produksie van mielies in Wes-Transvaal van net minder as 1 000 kg per ha in die vroeë jare vyftig tot sowat 2 200 kg die laaste paar jaar verhoog het.

Dit is natuurlik uit groter doeltreffendheid en groter kapitaalbesteding bewerkstellig. Opnames toon dat die kapitaalbelegging per plaaseenheid van R40 in 1949 tot R477 per ha verlede jaar toegeneem het.

Die plase het ook heelwat groter geword. In 1949 was die gemiddelde plaas in Wes-Transvaal 575 ha groot, teenoor 955 ha verlede jaar.

Die persentasie bewerkte lande het op die plase ook vermeerder van 38,5 tot 62,4 persent. Volgens mnr. Schoeman is die boer vandag verplig om groter oppervlaktes te bewerk deur die hoë koste van meganisasie te absorbeer.

Hy sê dat verhoogde doeltreffendheid ingrypende veranderinge in die landbou gebring het, waarvan aansienlike kosteverhogings. Hierdie veranderinge en koste is ongelukkig onvermydelik as die boer wil voortgaan om te produseer en te vorder.

DD 6/1/78 3-MAIZE

Now maize to go up?

JOHANNESBURG — Maize producers are planning to ask the Minister of Agriculture for a minimum 21 per cent price increase next month to combat rising production costs.

A higher maize price will inevitably push up the costs of basic foodstuffs such as meat, chicken, eggs and mealie meal, dealing a double blow to consumers — blacks in particular — in the wake of the white bread price increases this week.

Yesterday, Dr Pieter Gous, chief executive of the South African Maize Producers' Institute said producers would ask for a minimum increase of R16 a tonne — bringing the maize price up to at least R90 a tonne.

But he said it was too early to name the exact price producers would request.

"We are still busy with calculations based on production costs for the crop standing on the land at present," Dr Gous said.

He attributed the need for a higher maize price to increased costs of fertiliser, petrol and machinery in the

past year.

He added, however, that the January 1 fertiliser price increase would not affect the calculations for a higher price.

"Only about 10 per cent of fertiliser bought at the new price will be used for present crops. But it will have a tremendous effect on the 1978-79 crop, pushing up production costs by an estimated R40 million."

Dr Gous said a realistic maize price would be recommended at the Sampi congress on February 14, but that it was unlikely that the Minister would grant the full amount requested.

"We didn't get it last year," Dr Gous said. "The Minister makes his calculation on a shifting average of production costs over the last five years."

Dr Gous felt this approach was outdated in a time of rapid inflation. He predicted that a new maize price was likely to be announced in March or early April.

Dr Gous did not think black consumers would be particularly hard-hit by the ripple effects of a maize price increase. — DDC.

Now maize farmers want 21 percent rise

Natal Mercury 6/1/78

3 maize

Mercury Correspondent

JOHANNESBURG — South Africa's maize producers are planning to ask the Minister of Agriculture for a minimum 21 percent price increase next month to combat rising production costs.

A higher maize price will inevitably push up the costs of basic foodstuffs such as meat, chicken, eggs and mealie-meal — dealing a double blow to consumers, Blacks in particular, in the wake of the white bread price increases this week.

Meanwhile South Africa's wheat surplus this year could be as high as 380 000 tons — enough to produce 2 000 000 white loaves of bread a day for a year.

The chief executive of the South African Maize Producers Institute (Sampi), Dr. Pieter Gous, said yesterday that producers would ask for a minimum increase R16 a ton — bringing the maize price up to at least R90 a ton.

But he said it was too early to name the exact price producers would request.

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He attributed the need for a higher maize price to increased costs of fertiliser, petrol and machinery in the past year.

He added, however, that the January 1 fertiliser price increase would not affect the calculations for a higher price.

"Only about 10 percent of fertiliser bought at the new price will be used for present crops. But it will have a tremendous effect on the 1978-79 crop, pushing up production costs by about 3 million."

The deputy general manager of the Wheat Board, Mr. D. F. de Villiers said yesterday, the wheat surplus figure was based on last October's crop estimates and included a 200 000-ton surplus carried over from 1977.

The price of white bread goes up today by 25 percent to 25c a loaf as a result of a R15-million cut by the Government in the bread subsidy.

But many supermarkets will be selling bread at lower prices — at 23,5c or 24c a loaf.

Mr. Cyril Nutter, regional manager of OK Bazaars in Natal, said that stores throughout the province would be selling at 23,5c "for the foreseeable future."

However the Hyperama at Prospecton will be selling at 24c with brown bread costing 15c — 1c below the controlled price.

Mr. Alan Gardiner, Natal regional manager of Pick 'n Pay, said they would be charging the cost price of 23,5c.

Mr. de Villiers said "With the carry-over from last year and expected consumption this year we put the wheat surplus at between 350 000 and 380 000 tons."

"Provisionally the Wheat Board has decided to try the export market again, to get rid of the surplus. But we are not embarking on a large export programme at this stage," he said.

The ruling overseas price is R102 per ton and if the Wheat Board sells at that price it will make a loss of R65 a ton.

Mr. de Villiers said the loss would be written off against the Wheat Board's reserve fund, which is built up by contributions from the producers.

He said lowering the domestic price of wheat to reduce the surplus would serve only to reduce the Government's bread subsidy further and the farmer would be "very badly hit" by the lower price.

The current price to the farmer for his wheat is R123 a ton, which was set in November 1976.

Farm union hits maize move

STAR 6/1/78 3 maize

Charlene Beltramo
Consumer Reporter

The South African Agricultural Union today lashed out at the South African Maize Producers' Institute for reports that maize farmers wanted a minimum 21 percent price increase for their product.

A spokesman for SAAU said it was not yet even known how big this year's

maize crop would be — "so how can we start fixing prices?"

He said he doubted the increase farmers would ask for in March would be higher than about eight percent.

"Sampi represents a mere 10 percent of maize producers. It is not recognised by any Government department. Each year, Sampi asks for price hikes that are totally unreasonable.

"If such high prices were to be fixed, consumers would not be able to afford them. Consumer resistance is being felt over the whole spectrum of agriculture — we can't afford more.

"Exorbitant prices would mean we would have to export more because of local resistance — and probably at a loss, which the farmer would be levied for.

LEVY

"As with wheat, the farmer is not really going to benefit from the high price increase. They will have to pay a levy on all wheat exported at a loss," the SAAU spokesman said.

He said the majority of maize producers — about 10 000 — belonged to the SA Maize Specialist Organisation (SAMSO) based in Klerksdorp. It was formed about a year ago by SAAU and is officially recognised.

"The Government would not take kindly to a high price increase request for maize, as it is the staple food for the majority of the population," the spokesman said.

"Farmers will need to ask for the increase, however, to help pay for equipment and stocks next year. Fertiliser, electricity and steel price increases will have a bad effect on the farmer."

Rocketing costs worry maize farmers

Charlene Beltramo

A single year of drought would put a major slice of the R719-million maize farming industry out of business, and the Government is too involved in other political issues to care, leading maize farmers have alleged.

Farmers interviewed in the Bothaville-Viljoenskroon area of the Orange Free State — representing a third of the total maize produced — said the last four years had been exceptionally good ones for maize crops.

However, maize production costs had zoomed way past price increases granted to farmers.

Maize at present stands at R74 a ton. However, farmers have calculated that to get back to making fairly good profits as in 1973, the price of maize would have to be R95 a ton.

"We're quite happy to have the maize price controlled, as long as the Government controls prices in those sectors affecting our production costs and allows maize to go up on a pro rata basis," Mr A Evans, a prominent Viljoenskroon farmer, said.

SUBSIDISING COSTS

"The Government has allowed amazing increases in other sectors, but not maize. The farmer is in fact subsidising costs to the consumer. This cannot go on indefinitely. We also have to survive."

Mr Evans quoted figures showing that fertiliser on average was going up 26 percent a year. Fuel was rising 34 percent, repair bills 19 percent and wages 24 percent. The maize price was only going up on average by 13 percent, however.

Mr Evans has the full backing of South African Maize Producers Institute — whose members grow 60 percent of the total maize crop.

Dr Piet Gouws, director of the institute, said maize earned South Africa R300-million in foreign exchange, "but the case of the maize farmer is being ignored."

He quoted the State President, Dr Diederichs, who said that 10 000 farmers had decided, since 1970, to give up farming.

The situation was worsening, he warned, and many farmers were not even planting all their land, because they would be doing so at a loss.

③ mielies

Kyk 'n slag na die middelman, vra Samsó

IN die graanbedryf gaan die grootste deel van die kleinhandelprys van graanprodukte na die middelman, sê die mieliespesialiteitsorganisasie SAMSÓ.

Die afdeling landbou-bemarkingsnavorsing het in oorleg met die Departement van Statistiek tot hierdie gevolgtrekking gekom ná 'n opname wat oor 'n tydperk van 41 maande gestrek het, sê SAMSÓ. Oor hierdie tydperk, van Januarie 1974 tot Mei 1977, het die graanboer gemiddeld net 41,9 persent van die kleinhandelprys ontvang.

Produkte wat in die opname gebruik is, is mielie-meel, witbrood, bruinbrood, hawermout, graanvlökkies, mariebeskuitjies en kraakbeskuitjies.

Volgens SAMSÓ bewys dit die jarelange verweer van die graanboer dat hy nie alleen verantwoordelik gehou moet word vir die styging in die prys van

graanvoedsel nie.

Opoffer

Terselfdertyd is SAMSÓ ook deeglik bewus daarvan dat die verwerking en bemarking van die graan aanvullende koste verg en dat die verwerker en die kleinhandelaar ook 'n wins moet toon. SAMSÓ gun hierdie mense hul wins.

Waarteen SAMSÓ dit wel het, is dat daar altyd van die boer verwag word om in moeilike tye in die ekonomie met 'n kleiner opbrengs tevrede moet wees. Hy meen dit is niks minder as reg nie dat die ander partye in sulke tye ook bereid moet wees op om te offer.

As daar na die plaaswaarde van die graanvoedsel oor hierdie tydperk van 41 maande gekyk word, sien 'n mens dat die kleinhandelprys van 'n spesifieke hoeveelheid graanprodukte (dié deel van 'n gemiddelde kosmandjie) in Januarie 1974 altesame R7,23 was, waarvan net R2,91 na die boer gekom het.

Middelman

Een-en-veertig maande later, in Mei 1977, was die kleinhandelprys van hierdie selfde produkte gemiddeld R11,16, waarvan net R4,51 of 40,4 persent aan die graanboer toegewys is. Die res, nl. R6,65 of 59,6 persent, is na die verwerker en die bemarker.

Hieruit is dit duidelik dat die prys wat die verbruiker betaal, baie hoër is as wat die boer daarvoor kry.

kos produseer in belang van die verbruiker, maar dit word betwyfel of die verbruiker wel die volle voordeel van hierdie goedkoop kos kry.

Die posisie van die mielieboer as 'n verskaffer van basiese voedsel is ook hier 'n goeie voorbeeld. Die tyd het dan nou dalk ook aangebreek dat wanneer die mielieboer om 'n hoër prys vra, die ekonomiese implikasies daarvan vir die verbruiker nie net op die skouers van die boer gegooi word nie.

SAMSÓ vra of dit nie hoog tyd geword het dat die sogenaamde hoë koste van die middelman ook onder dieselfde veotglas as waarna dié van die boer gekyk word, moet val nie.

Daarom kan volgens SAMSÓ gesê word dat die graanboer wel goedkoop

Horwood sê nee vir hoër platforme

3 melies

DIE versoek van die Suid-Afrikaanse Miëleprodusente-Instituut (Sampi) dat die belastingplafon vir boere in die komende belastingjaar verhoog moet word, is deur die Minister van Finansies, sen. Owen Horwood, van die hand gewys.

Sampi het by sy kongres in September verlede jaar 'n beskrywingspunt aanvaar wat gelui het dat die inkomstebelasting-plafon van R28 000 as gevolg van die verminderde koopkrag van die rand onvoldoende geword het vir boere. Die Minister is versoek om 'n hoër plafon in die komende belastingjaar te oorweeg. Minister Horwood het sy redes vir die weiering van die versoek breedvoerig uiteengesit in 'n brief wat in Sampi se amptelike publikasie, Die Landman, verskyn. Sen. Horwood sê onder meer dat belasting nie as 'n strafmaatregel gehet word nie, maar bloot om die nodige fondse te bekom wat nodig is om die dienste wat die inwoners van 'n land van die owerheid vereis en die beveiliging van die land en sy burgers te finansier. In Suid-Afrika word

daar ook nie doelbewus vir surplusse op belastinginkomste begroot nie. Belastingkale word gevolglik op so 'n vlak bepaal dat die inkomste wat uit belasting ontvang word, net genoeg sal wees om die uitgawes waarvoor begroot is, te dek.

Sen. Horwood wys daarop dat die Regering die afgelepe boekjaar sy besteding drasties ingekort het. Tensy daar doelbewus tot 'ekortbegroting oorgegaan word, met die euwels wat daarmee gepaard gaan, sal verdere besnoeiings in staatsuitgawes slegs deur die inkorting van lewensnoodsaaklike dienste soos verdediging bewerkstellig kan word.

Hy sê mense wat die herstelling van belastingkale bepleit, grond gewoonlik hul pleidooie op die oënskynlik hoë marginale skale wat van toepassing is. Op die oomblik

word 'n maksimum-marginale skaal van 72 persent bereik wanneer 'n getroude persoon 'n belastbare inkomste van R28 000 het. Wat egter uit die oog verloor word, is dat 'n man wat byvoorbeeld 'n inkomste van R29 000 het, nie 'n volle 72 persent of 120 800 op hierdie bedrag betaal nie. Die aanvanksskaal waarteen getroudes belasting betaal, is 9 persent van die belastbare bedrag, wat nie R1 000 oorskry nie. Die skaal neem daarna geleidelik toe met elke R1 000 waarmee die belastbare bedrag styg, maar die ver-

Landbou - RAPPORT

Op 'n bedrag van R29 000 betaal getroudes gevolglik slegs R11 280 wat beteken dat dit teen 'n effektiewe skaal van slegs 38,89 persent bereken word. Die 72 persent is gevolglik net van toepassing op die laaste R1 000. Sen. Horwood sê verder: Hy wys ten slotte ook daarop dat boere reeds aansienlike voordele, bo ander belastingpligtiges word, bepaal.

Hy sê mense wat die herstelling van belastingkale bepleit, grond gewoonlik hul pleidooie op die oënskynlik hoë marginale skale wat van toepassing is. Op die oomblik

3 melies

Boere woedend oor verslag dat hulle, kla

WINTER

SUID-AFRIKA se melieboere smeul van die woede nadat hulle 'n vertroulike toespraak in die hande gekry het van 'n senior staatsampenaar wat jaarliks die inligting versamel waarvolgens die Kabinet uiteindelik die melieprys bepaal.

Wat die amptenaar, mnr. Harry Hattingh, direkteur van die afdeling Landbouproduksie-ekonomie, te sê gehad het oor die melieboere, kan op die voorrand van die bepaling van die jongste melieprys 'n yslike twis ontken. Die boere eis klaar dat mnr. Hattingh moet bedank.

Aan sy veldwerkers, die manne wat op die plase met die boere moet gaan gesels om vas te stel wat hul produksiekoste was, het mnr. Hattingh onder meer die volgende te sê gehad: ● Al slaan jy 'n melieboer dood, kan hy nie eens sy eie produksiekoste bereken nie. ● Solank dit voorspoedig gaan, kla die melieboere

net omdat kla kla is. "As meliekoppe van goud was, sou hulle gekla het dat hulle nie genoeg kleingeld het nie."

● Wanneer daar redes tot onrus is, moet boereleiers ag op die klagtes begin slaan. As hulle nie "hard genoeg saamskreeu nie", vind alstigting plaas. As hulle leiers wil bly, moet hulle soms nog harder skreeu as die boere self.

● Sedert 1948 was daar weinig sprake van wetsenskaplike monstertrekking op die plase. "Daar is ook 'n sekere mate van waarheid in die aantygings dat opnemers se optrede nie altyd van die voorbeeldigste was nie."

Mr. Hattingh het sy veldwerkers daarop gewys dat die koste van produksiekoste oes wat op die land staan nie. "Die verandering in koste dien dan ook net as een van die verraderlikes wat bygetel of afgetrek word van die bestaande prys — wat weens vele redes glad nie verband hou met die werklike produksiekoste

nie. Hulle verstaan nie hierdie dinge nie — of andersins aanvaar hulle dit nie. "Al wat die boer weet, is dat ons syfer verkeerd is — dit moet verkeerd wees, want volgens hom is die prys van melies verkeerd en die prys van melies word tog, of behoort immers eenhonderd persent bepal te word deur die koste om dit te produseer. Dit is hoe die boere redeneer, en as u 'n boer was, sou u ook so gereedeneer het," het mnr. Hattingh gesê.

Sedert die inflasie-gogga sy teenwoordigheid met mening laat voel het, het ieder en 'n elk sy mond vol oor die wyse waarop produksiekoste-opnames gedoen word en gedoen behoort te word. Daar was vroeër rede vir kritiek teen-

Daarom het hy verlede jaar tydens samesprekinge tussen Samsu, die Suid-Afrikaanse Landbou-Unie, Uniegraan en die Departement van Landbou aan die Minister van Landbou gesê dat elke gemiddelde produksiekoste-syfer van duksiekoste-syfer van melies wat noemenswaardig afwyk van sy afdeling se syfer, verkeerd is. "Ek vertrou dat julle my nooit 'n leuenaar sal kan laat bewys nie," sê hy aan sy veldwerkers.

In sy toespraak sê mnr. Hattingh aan sy veldwerkers dat hulle hulle "uitwikkels" kan ontwikkel. U kan dit moontlik die beste doen deur die vertroue te skep dat u 'n objektiewe navorser is wat vir 'n onafhanklike organisasie werk — 'n navorsingsorganisasie wat niks te wen het en alles te verloor het deur enigiets anders as die korrekte syfer."

Hy stel dit ook baie duidelik dat sy afdeling "nie belang het by individuele boere se resultate nie, maar net belang stel in gemiddeldes".

DEUR JOHAN MURRAY

Uitwikkels

Boere in die distrik Boerhaville in die Noordwes-Vrystaat, waar die afdeling verlede jaar 'n produksiekoste-studie onderneem het, sê hul boeke

3-Maize

5/20 6/21/76

Schoeman goes digging over snub to farmers

An investigation by the Minister of Agriculture, Mr Schoeman, into an accusation by an official of his department that mealie farmers are incompetent is to be launched tomorrow.

The accusation was in the form of a document written to field workers by Mr Harry Hattingh, director of the Production Economics section of the Department of Agriculture. In the letter, Mr Hattingh is reported to have said that even if you "beat a mealie farmer to death he would not be able to estimate his own production costs."

In an interview today Mr Schoeman said the investigation would start tomorrow.

"In all fairness to Mr

Hattingh we have to give him a chance to state his case," the Minister said. "I know the farmers are upset about the document and as far as I'm concerned we cannot have a letter like that sent out without an investigation."

At a maize producers' congress last week, Mr Schoeman told delegates he "regretted" the document had been distributed.

"In my experience I have never found that farmers have the attitude which was stated in the document. I undertake that steps will be taken and hope that the incident will not lead to a worsening in relations between ourselves and the farmers," Mr Schoeman said.

Dié mieliepitte is taai

Dale dappant 12/3/78

③ melies

Mielieboere in veral Wes-Transvaal en die Noordwes-Vrystaat is nog lelik omgekrap oor die uitlatings van mnr. Harry Hattingh, Direkteur van die Afdeling Landbou-bemarkingsnavorsing van die Departement Landbou-ekonomie en -bemarking.

Soos verlede week in RAPPORT berig, het mnr. Hattingh in 'n inleiding tot 'n bespreking met amptenare van sy afdeling op 7 September verlede jaar sekere neerhalende aanmerkings oor mielieboere gemaak waarvan die boere net niks gehou het nie.

Mnr. Hattingh het sy inleiding in 'n vertroulike dokument op skrif gestel en 'n afskrif van dié dokument het in SAMPI se hande beland. Dit is deur SAMPI op sy kongres op 14 Februarie openbaar gemaak. SAMSΟ het dit ook op sy kongres op 1 Maart bespreek.

Die mieliepitte het gespat oor aanmerkings van mnr. Hattingh soos: „Al slaan jy hom dood, kan hy nie eers sy eie mielieproduksiekoste bereken nie”.

Ná die aanvanklike skok het boere die inhoud van die dokument eers behoorlik bestudeer en dit het hulle nog meer ontstel, veral met die oog op die vasstelling van die mielieprys vir die huidige seisoen aanstaande maand.

Mnr. Hattingh stel dit naamlik duidelik dat die produksiekostesifers en die oesskatting waarop die mielieprys gebaseer sal word, geen verband hoef te hou met die werklike produksiekoste of die werklike grootte van die oes op die land nie.

Wat die produksiekoste betref, herbevestig mnr. Hattingh dat daar nie van dié ou opname-metode oorskakel gaan word, na 'n kosteberekening wat op geboekstaafde sifers gegrond is nie. Daarvoor stry albei die organisasies van mielieboere, SAMPI en SAMSΟ, tevergeefs.

Hy stel dit ook dat geen skatting gemaak sal word van die oes op die lande nie, maar dat dit volgens 'n tendenslyn wat die opbrengs van die afgelope 15 jaar projekteer, bereken sal word. Boere vrees dat dit vanjaar sal beteken dat die oes oorskakel gaan word, en 'n grote oes bring altyd 'n relatief lae prys mee.

Sy grootste besware teen die gebruik van geboekstaafde sifers vir die kosteberekening is dat boere nie behoorlik kan boekhou nie en dat, indien hulle boekhou vir die spesifieke doel van kosteberekening, hulle stellig bevooroordeel sal wees.

tement Landbou-ekonomie en Bemarking, reeds vir die projek verkry is. Bydraes word dan gevra om die projek te finansier.

In die dokument sê mnr. Hattingh dat dié aankondiging onjuis is, aangesien geen samesprekings in daardie stadium met die sitter van SAMSΟ, het op versigtige wyse laat deur-

skemer dat dié berigte nie te letterlik opgeneem moet word nie.”

Baie mielieboere voel verontrus omdat dit uit die dokument duidelik blyk dat nog SAMPI, nóg SAMSΟ enige vordering gemaak het met hul pogings om die produksiekoste-opnames in die bedryf op geboekstaafde inligting gebaseer te kry.

Landbou - RAPPORT

Departement gevoer is nie.

Mnr. Hattingh sê dat die k w e s s i e v a n produksiekoste-opnames en die beriggewig in SAMSΟ se blad op 'n vergadering op 15 Augustus bespreek is met die Minister van Landbou, mnr. Hendrik Schoeman. Op dié vergadering sê hy, is ooreengekom om by die bestaande opnamestelsel te bly.

„Die artikls en geskrifte in SAMSΟ is bespreek. Beide mnr. Albert Basson (voorsitter SALU) en mnr. Ben Wilkens, destyds voor-

Hulle voel dat die opname-metode nie 'n geskikte basis is vir die vasstelling van die mielieprys nie, maar of daaraan iets verander gaan word, lyk twyfelagtig. Dit voorspel niks goed vir die nuwe mielieprys, wat aanstaande maand aangekondig moet word nie, meen hulle.

Mnr. Schoeman, het, nadat die dokument bekend geraak het, hom gedistansieer van die opmerkings van mnr. Hattingh oor mielieboere. Hy het egter nie verwys na die inhoud van die dokument nie.

los?

die plaas of op

erkers saam te

of nie?

Nog 'n beswaar is die volgende:

„As ons van rekordboeke sou gebruik maak, hou dit die wesentlike gevaar in dat die aansien en geloofwaardigheid van ons bestaande rekordprojekte en die manne wat daarmee gemoeid is, in gedrang mag kom. Dit wil ons tot elke prys verhinder.”

Al sou geboekstaafde inligting gebruik word, sê mnr. Hattingh, sal dit nog nie die klagtes oor die basis van die mielieprys laat ophou nie.

„Solank die tendenslyn (van oesskatting) deur die Mielieraad aanvaar word as die beste metode om fluktuasies uit te skakel, sal hierdie argumente voortbestaan, ongeag watter insamelmingsmetodiek gevolg word.”

SAMPI veg al sedert sy ontstaan 12 jaar gelede dat die mielieprys gebaseer moet word op die werklike produksiekoste en die werklike opbrengs van elke seisoen.

SAMSΟ het ook verlede jaar 'n projek aangekondig om behoorlike kostesifers vir die mieliebedryf te kry, gegrond op geboekstaafde inligting. Die projek is in die Mei- en Julie-uitgawes van SAMSΟ se amptelike blad aangekondig. Daarin word gemeld dat die samewerking van alle betrokkenes, insluitende die Depar-

The Department of Agriculture's first estimate of the 1978 maize crop exceeds by 1.5 Mt the most optimistic predictions. The Department learns that the estimate, due to be published within the next few days, puts the 1978 harvest from white farms (figures for black areas are not yet available) at 9.5 Mt, about the same as last year's total crop.

Since black farmers' production averages about 0.3 Mt a year, it's possible that this year's total crop could be slightly higher than 1977's.

The Department estimates the white

maize crop at 4.7 Mt, and yellows at 4.8 Mt. Its first stab at the sorghum crop is 422 000 t (374 000 t).

After last year's drought and January and February's heavy rains most observers had been expecting a crop not much above 9 Mt. Though yields in the Bloemhof, Hoopstad and Theunissen areas will be low, eastern Transvaal farmers and those in areas west of the Reef as far as Lichtenburg are likely to be kept very busy at harvest time.

The Maize Board may also decide to step up its export programme, particularly if black farmers can come up with good yields.

15. Aantal afhanklikes (gesinslede op plaas of erens anders vir wie werker moe sorg)

1 2 3 4 5 6

(a) Name (eerste name)
 alleenlik)

(b) Verwantskap aan werker

(c) Ouderdom

(d) Geslag

(e) Woonplek

(f) Skooljare voltooi

(g) Nou op skool?

(h) Skool (naam, soort, distrik en afstand van plaas)

(i) Werk wat vir boer gedoen word (b.v. gedurende skoolvakansies)

(j) Jaarlikse tydperk (d)

(k) Jaarlikse produksie

ander

(m)
 (n)
 3

Maize and milk price hikes expected soon

③ Maize & Milk
D.D.

PRETORIA — The Minister of Agriculture, Mr Schoeman, is expected to announce a substantial increase in the price of maize before the end of the month.

And soon after he is considered certain to approve a strongly motivated demand from fresh milk farmers for a hike in the milk price.

Only if he channels part of the R20 million allocated in the Budget to support food subsidies can a maize price rise of at least 10 per cent be avoided, according to Government sources here.

A maize price rise will start a landslide of other price rises. These will include cattle, pig and poultry prices, pet foods

and all other maize products, including mealie meal.

The higher prices of mealie meal and milk will be even higher when the four per cent general sales tax is imposed from July 1.

This, according to economists, would be an "intolerable" burden on the lower income groups, particularly blacks in urban townships, where nearly 13 per cent of the economically active population is unemployed.

Government subsidies paid on bread, butter and maize total just over R100 million.

The marketing council is now vetting the Maize Board's price recommendations before passing them onto Mr Schoeman.

Mr Schoeman is one of the country's biggest maize producers.

Mealie farmers will get their biggest ever return from this year's 9 500 000 t crop.

At a price of R80 a ton — the lowest expectation after the coming price rise — farmers will earn in excess of R750 million.

Meanwhile, the ripples from the higher rail rates which came into operation from April are still being felt.

Last week it was cement and sugar consumer prices which had to carry the higher transport costs, and yesterday's Government Gazette authorised an increase in the price of coal for the same reason.

MIELIEPRYS DALK R79 PER TON

③ mielies

Deur DAVID MEADES

DIE Mielieraad se aanbeveling van die bruto mielierys beloop sowat R83,40 per ton vir die nuwe seisoen, volgens ingeligte waarnemers. Daarvan is R4 per ton waarskynlik 'n spesiale uitvoerheffing plus die gewone heffing van 40c per ton.

Dit sal vir die boer dus 'n netto prys van sowat R79 per ton laat, wat teenoor die R73,60 van die afgelope seisoen 'n verhoging van 7,3 persent sal beteken.

Vir die verbruiker sal die verhoging egter heelwat sterker wees — 'n verhoging van 12,7 persent teenoor die afgelope seisoen se R74 per ton.

Vir die doeleindes van die prysvasstelling lyk dit of daar uiteindelik op 'n verwagte oes van 9,2 miljoen gewerk is. Dit sal beteken dat sowat 3,5 miljoen ton mielies in die nuwe seisoen uitgevoer sal moet word.

Die jongste oesskatting van die Departement van Landbou raam die nuwe oes op sowat 9,7 miljoen ton, wat rofweg sal beteken dat R3 per ton uit die binnelandse prys verhaal sal moet word.

Maar dit sal die Stabilisasiefonds heeltemal uitgeput laat en dit sou dalk nodig wees om 'n ekstra rand te hef

om hier 'n neseier te laat.

As die oes egter uiteindelik heelwat hoër sou blyk te wees, of die uitvoerprys van R95 per ton nie gerealiseer word nie, kan dit gebeur dat 'n heelwat groter verlies gely word.

Daarom is dit dus nie uitgesluit dat die Regering dalk kan besluit om die bruto-prys op 'n heelwat hoër vlak as die verwagte R83,40 vas te stel nie.

Die prys word deur die Kabinet vasgestel en die Ministers van Finansies en Ekonomiese Sake het waarskynlik hier ook 'n sê.

En dit is net hier waar die grondslag vir die sterk verhoging in die binnelandse mielierys lê. In die afgelope seisoen is 'n verlies van R27 miljoen op die uitvoer van mielies gely, wat die Mielieraad se Stabilisasiefonds van R42,5 miljoen tot R14,7 miljoen laat krimp het.

Vir die doeleindes van die nuwe prys is daar gewerk op 'n verwagte gemiddelde uitvoerprys van sowat R95 per ton vir die nuwe seisoen.

Maar dan is daar ook nog die uitvoerkoste, wat na raming van R25 tot R29 per ton sal styg.

Dit sal 'n verlies van R13 per ton meebring, wat op 'n verwagte uitvoer van 3,5

miljoen ton, 'n verlies van meer as R45 miljoen sal beteken. As die huidige posisie van die Stabilisasiefonds daarvan afgetrek word, laat dit 'n tekort van meer as R30 miljoen.

Dit wil egter voorkom of die mielierys self nie veel meer as 'n prys van sowat R79 per ton gaan kry nie. En baie boere gaan hieroor ontvrede wees.

Die mielierys se produkiesiekte het oor die laaste paar jaar baie sterk gestyg en hy voel dat hy nie naastenby hiervoor vergoed word nie.

Maar dan besef die meeste boere ook dat dit met die oog op die verwagte groot uitvoerverlies baie moeilik is om in die huidige stadium 'n veel hoër netto-prys te verwag.

Styg

Die binnelandse verbruik van mielies styg veral onder swartes nie meer so sterk nie, terwyl die vraag na mielies as veevoer die grootste afsetbron geword het. Die pluimveebedryf het veral 'n baie groot verbruiker geword en verkoop op sy beurt weer die grootste deel van sy afset aan swartes.

Daar kan ook aangeneem word dat die Vleisraad net

Reffent 9/4/78

op die nuwe mielierys wag om finaal oor nuwe vloerpryse vir beesvleis te besluit. Die mielierys het darem die een troos dat die verwagte groot oes in volume in 'n mate sal kan vergoed.

Consumers face

3-MAIZE STAT 10/4/78

maize rise

Consumers can expect to pay more for maize products soon — not only as a result of a higher producer price, but also because of increased rail tariffs.

This has been made clear by Samsó, the official publication of the Suid Afrikaanse Mieliespesialiteitsorganisasie (Samsó).

In an editorial, the magazine says that the increased rail tariffs that came into effect on April 1, will have to be carried by the consumer.

MR BASSON

The article quotes Mr Faan Basson, chairman of Samsó, as saying that in the past the maize producer subsidised the consumer from his export profits. Now times were difficult for the producer and the consumer would have to help.

Mr Basson said the

maize industry was already in danger as a result of increased costs. The only solution was to debit the cost increases from the consumer's account. Otherwise mealie production would become completely uneconomical.

Mrs Joy Hurwitz, national president of the Housewives' League of South Africa, described maize

as the "keystone" of all agricultural products in this country and said an increase would not only mean a rise in the price of a staple food, but would also mean higher prices for products such as meat, chicken, eggs.

The Minister of Agriculture, Mr Hendrik Schoeman, will meet the Maize Board in Pretoria today.

RDM 1714178
3-MAIZE

Maize price rise won't be large — Schoeman

Staff Reporter

THE proposed increase in the maize price is not expected to be large, the Minister of Agriculture, Mr Hendrik Schoeman, said in an interview yesterday.

Mr Schoeman said he would be meeting maize producers in Pretoria tomorrow to discuss the increase and an official announcement would be made at the end of the week.

There had been some

dispute at recent meetings over the price rise. Farmers were asking for enough to cover higher production costs — estimated to have risen 18% in a year.

Any maize price rise is expected to be followed by dearer milk and could start a spate of other price increases, including beef, pork, and poultry.

The higher prices of mealie meal and milk will go even higher when the 4% general sales tax is imposed from July 1.

Maize price rise 'will hit the poor'

ARGUS 20/4/78

3-MINUTE

Quote

A BAG of maize — at the present rate of price increases — will soon outstrip the Krugerrand as an investment or a valued heirloom.

It is scandalous that our maize is sold at a huge loss overseas in order to prop up local prices. Last year the loss was R28-million. This is apparently now being recouped at the expense of the poor.

— Mr Eugene Roelofse, ombudsman of the SA Council of Churches.

The Argus Political Staff

A WIDESPREAD ripple effect through important areas of the consumer market — especially hitting the poor — is being predicted following the decision of the Minister of Agriculture, Mr H Schoeman, to raise the maize price.

At the same time, there were predictions that maize farmers — who are understood to have asked for a 22 percent increase — will be unhappy with the increases granted by the Government.

Mr Schoeman announced a shock 16 percent increase in the selling

price of maize from R71.50 to R83.10 a ton.

The producer's price for best grades in bulk will rise from R74 to R84 a ton, of which the producers will receive R80.

Of the remainder, R3.60 a ton will go to the Maize Board's stabilisation fund and 40c a ton will be levied to defray Maize Board costs for administration, research and promotion.

Mr Schoeman said the higher prices are due mainly to increasing production costs and the reduction in the State subsidy.

GROUNDNUTS

Price rises for groundnuts, sunflower seed and soya beans are expected to follow closely in the wake of the increased mealie prices.

The Opposition's finance spokesman, Mr Harry Schwarz, said today the action of the Minister was another blow against the poor of South Africa, because maize products represent the staple diet of the lower income groups.

With other increases in State-administered prices, the increases would add to the already high cost of living. The Government had also chosen this time to reduce State subsidies when unemployment among the lower income groups was highest.

POULTRY

Mr Schwarz predicted the increases would not only directly affect the price of mealie meal and other products from mealies, but would indirectly affect the prices of other farm produce, such as poultry.

20/4/78 R.D.M. (3) Maize

Maize price to jump by 13,5 pc

By SHEILA WING

THE MAIZE price is to be hiked again — and no one, not even the farmer, is happy about it.

The producer price will jump by 13,5% on May 1, prompting yet another spate of basic foodstuff price rises.

The Minister of Agriculture, Mr Hendrik Schoeman, announced yesterday that the farmers' price for best grades of maize would increase from R74 to R84 a ton as a result of higher production costs and a reduction in the State subsidy.



This means that the price of mealie-meal — the staple food of most blacks — will go up by 1c a kg within weeks.

Supermarket spokesmen said the higher maize price would inevitably have a ripple effect, pushing up the price of other basic items, including meat, chicken, eggs and dairy products.

Consumer spokesmen predicted the increase in the maize price would be a further blow to householders, particularly blacks whose budgets were already overburdened.

But maize farmers are still not satisfied. They say the increase does not match their increased production costs which have soared.

Dr Pieter Gous, chief manager of the South African Maize Producers' Institute (SAMPI), said farmers would gain only R6 a ton from the R10 increase.

Mr Schoeman said the remainder of the increase would be deducted.

Farmers had asked the Government to increase the price of maize to R95 a ton. Dr Gous said the Government's increase was unrealistic.

"The total maize yield for 1978 is expected to drop to 8 600 000 tons but the Government based its calculations on a total yield of 11 100 000 tons," he said.

"The Government is considering price stability for the consumer rather than the income stability for the farmer."

A spokesman for the Transvaal Agricultural Union welcomed the increase although it did not meet all increases in production costs.

He disagreed that farmers were unhappy with the increase.

Supermarket spokesmen predicted the increase would add 5c to the price of a 5 kg bag of mealie-meal.

They said they would have to pass the increase on to consumers by the end of May.

Mr T W Kambule, lecturer at the University of the Witwatersrand, said the increase would prove a hard blow for blacks. Most of them were already living below the breadline.

"One can foresee an increase of malnutrition and kwashiorkor," he said.

Consumer "Watchdog", Mr Eugene Roelofse, said a bag of maize would soon outstrip the traditional Krugerrand as an investment or heirloom.

"That the maize industry is virtually on its last legs is a story farmers should tell the marines, not the consumer. Maize farmers unquestionably represent the jet-set of South African agriculture."

Mrs Joy Hurwitz, president of the Housewives' League, said the Government persisted in ignoring the fact that poor people must eat and the poor were getting poorer.

The Progressive Federal Party's financial spokesman, Mr Harry Schwarz, sharply criticised the increase.

© Last year the producer price of maize was increased from R65 to R74 a ton.

Maize price to rise by 13,5 pc

20/4/78
③ Maize

JOHANNESBURG — The producer price of maize will jump by 13,5 per cent on May 1, prompting yet another spate of basic foodstuff price rises.

The Minister of Agriculture, Mr Schoeman, announced yesterday that the farmers' price for best grades of maize would increase from R74 to R84 a tonne as a result of higher production costs and a reduction in the State subsidy.

This means the price of mealie meal — the staple food of most blacks — will go up by 1c a kg within the

next few weeks.

Supermarket spokesmen said the higher maize price would inevitably have a ripple effect, pushing up the price of other basic items, including meat, chicken, eggs and dairy products.

Consumer spokesmen predicted that the increase in the maize price would be a further blow to householders, particularly blacks whose budgets were already overburdened.

But maize farmers are still not satisfied. They say the increase does not

match their increased production costs which have soared as a result of higher fertiliser, fuel, machinery and transport costs.

Dr Pieter Gous, chief manager of the South African Maize Producers' Institute, said farmers would gain only R6 a tonne from the R10 increase — a net payment of R80 a tonne. Mr Schoeman said the remainder of the increase would be deducted.

An amount of R3,60 would be collected from producers for the Maize Board's stabilisation fund to finance expected export losses. Producers would also pay a 40c levy to defray the board's administration costs and to finance research and promotions.

A further 5c will be deducted as a contribution to the administration costs of the South African Agricultural Union.

Farmers had asked the Government to increase the price of maize to R95 a tonne, resulting in a net price of about R90 after deductions.

The Progressive Federal Party's financial spokesman, Mr Harry Schwarz, sharply criticised the increase.

The year 1978 is fast becoming the year in which the poor must battle to survive.

We have more unemployment than South Africa has had for decades. Is this the time to increase the major ingredients of the staple diet of the lower income groups? he asked. — DDC.

Maize price ripple feared

star 20/4/75 *3-maize*

John Patten

Political Correspondent
CAPE TOWN — The higher maize price is expected to have a wide-spread ripple effect in important areas of the consumer market.

It is also being predicted that maize farmers — who are understood to have asked for a 22 percent increase — will be unhappy with the increase granted by the Government.

The Minister of Agriculture, Mr Schoeman, yesterday announced a 16 percent increase in the selling price of maize from R71,50 to R83,10 a ton.

Mr Schoeman said the higher prices were due mainly to increased production costs and the reduction in the State subsidy.

Price rises for ground-nuts, sunflower seeds and soya beans are expected to follow the increased mealie price.

The Opposition's finance spokesman, Mr Harry Schwarz, said yesterday

that the action of the Minister was "another blow against the poor of South Africa because maize products represent the staple diet of the lower income groups."

Together with other increases in State-administered prices, the increases would add to the already high cost of living. The Government had chosen a time to reduce State subsidies when unemployment among the lower income groups was highest.

Mr Schwarz predicted the increase would affect the price of mealie meal and other products from mealies directly and would affect indirectly the prices of other farm produce such as poultry.

The Finance and Agriculture spokesman of the New Republic Party, Mr Bill Sutton, said the maize price increase was inevitable.

When the general sales tax was introduced in July, the maize price would go up again, Mr Sutton predicted.

MAIZE EXPORTS (3) MAIZE Good crop, but . . . FM 21/4/78

Export losses loom for the Maize Board unless the world maize price picks up considerably this year.

The latest crop estimate of 9,5 Mt (for white farms only) is the same as at this time last year, but in the event, the 1977/78 crop turned out to be 9,7 Mt. A similar improvement could well be seen again.

Exports of maize and maize products for the 1977/78 season amounted to 2,56 Mt, of which only 500 000 t was white maize, due to an increase in domestic consumption as the poor ate more maize. Exports of yellow maize were higher than expected, because less was consumed locally. Export losses amounted to R27,8m, to bring the balance on the stabilisation fund down from R37,7m at May 1 1977 to R14,7m at April 30 1978.

There is a carry-over of 1,5 Mt, some of which can be exported before the new season's deliveries are ready, so total exports should be more than last year. World prices, which started well last year, slumped badly until August due to the prospect of a good world grain crop. They recovered considerably in October and November because prospects for the Russian crop declined, as did those for Australia, while there were reports of drought over vast areas of China. Prices have now started rising.

While it's too early to predict the coming season's world market trend, the Maize Board, in its annual review, points out some salient factors:

o For the 1978/79 season, the world carry-over of coarse grains (maize, barley, oats, sorghum, rye, manna and mixed grains) will rise by 8 Mt to 79,8 Mt. This will have a price-depressing effect. So will the fact that the US

Department of Agriculture expects some of the major grain importing countries to be able to meet their own requirements, and that international trade in coarse grain will decline.

● On the other hand, it is hoped that new US agricultural policies may help to stabilise the world grain market. Producers are being encouraged to withdraw 20% of their wheat lands, and 10% of their maize lands, for soil conservation. Under a US loan scheme, grain will only be released when the maize price (currently about R77 a ton) reaches R85.

● Attempts are also being made to conclude an international coarse grain agreement similar to the wheat agreement, but this is not expected soon.

The current "break-even" price for our maize exports is about R99 a ton (R74 producers' price plus R25 for export costs). So provision will probably have to be made to build up the stabilisation fund to cover export losses. This, of course, was one of the things taken into account when the new producer price was fixed as the FM went to press.

What with that increase, and the fact that the maize subsidy was reduced in the Budget estimates from R60m to R45m, the outlook for consumers looks bleak.

price) is to be increased immediately from R71,50 to R83,10 a ton. This is after the state subsidy of 90c a ton has been taken into account.

The producers' price for the best grade in bulk will be increased from R74 to R84. But from this, 40c a ton will be collected from producers as a levy towards the board's costs, as well as R3,60 a ton for the stabilisation fund. This is to finance expected export losses (see next story).

The net result is a payment of R80 a ton to producers. However, they are also going to have to pay 5c a ton for the SA Agricultural Union's administration costs.

Announcing the increase, Schoeman said that the higher prices were mainly the result of increases in production costs and the reduction of the state subsidy (from R60,9m to R45m).

MAIZE PRICE (3) MAIZE

Shock increase

FM 21/4-78

A hefty increase in the maize price was announced this week by the Minister of Agriculture, Hendrik Schoeman. The Maize Board's selling price (consumers'

IN SPITE of the South African maize price being increased by 13,5 percent from May 1, it was still the cheapest food in the world said the director of the South African Agricultural Union, Mr. Chris Cilliers, yesterday.

Defending the need for an increase in the producers' price for maize Mr. Cilliers said the local price was below that of rice in producing countries in the Far East.

He said that because of massive production cost increases for maize farmers it was essential that the price be raised.

Mr. Cilliers said that while he sympathised with hard-pressed consumers, "farmers have to be given an incentive to say in production."

The new price was below that asked for by farmers and the Government had

Rise in 3-M A I Z E price of maize defended

given very careful consideration to the implications of a higher price.

Asked about the effect on producer consumers like dairy, cattle, pig and egg farmers who used large quantities of maize for animal feeds, Mr. Cilliers said these farmers would have to become more efficient.

Mr. Cilliers denied Press reports that South African maize was being sold

overseas at a loss. He said the word "loss" was a misnomer.

"Losses only take place when a crop is sold at below production cost. This has never happened in the history of the South African maize industry."

He said what was meant by a loss was when maize was sold overseas at a price lower than the local market price.

The general manager of the Maize Board in Pretoria, Mr. H. F. B. Hickley, said it was essential that South Africa should have a surplus of maize.

He said it would be impossible to balance supply and demand to the nearest ton to avoid a surplus.

"We rely on the weather to grow the crops. What would happen if we regulated plantings, had a drought and lost half our crop? If we were forced to import maize, the price really would be high," he said.

FOOD

Sun. Tribune

23/4/78

AND FOLLY

3-maize

IF THE Government is unaware of the hardship that will be caused to the largest section of the South African community by an increase in the price of maize, then it is sadly out of touch with the reality of the situation in the land it rules.

If it is aware, then the 13,5 percent maize price increase announced this week by the Minister of Agriculture is an act of folly beyond the understanding of thinking, concerned South Africans.

Coming as it does on the heels of the Minister of Finance's announcement of a turnover tax, and within months of an increase in the bread price, the maize price decision could mean for thousands of people the difference between living on or below the breadline.

We believe the Government should be doing all in its power to keep down the price of black staples; we believe this is imperative, not only for humanitarian reasons but for the well-being of all South Africans.

And what strengthens our conviction is the disturbing prediction this week by Assocom executive director Raymond Parsons that by 1981 more than a million black people could be out of work.

show 6/10/78

(3)

Maize mix plan to cut disease

Pretoria Bureau

The Department of Health plans next year to start a R1-million project to cut disease by fortifying maize meal.

Hopes are that the compulsory scheme will reduce by about 70 percent the 100 000 people currently being treated for pellagra every year. Pellagra is a deficiency disease characterised by skin lesions and eventual mental disorder.

It is being treated at an annual cost of roughly R2 105 000, according to a report by a Medical Research Council project group in the SA Medical Journal.

Supplementing the maize meal with a premix would cost R460 000 a year, a saving on present costs of R1 103 570.

A Department of Health spokesman said it would initially cost more than R1-million to buy the machinery necessary to fortify maize and supply it to hundreds of mills throughout the country.

He said the project was shelved this year because of financial considerations but the department would probably go ahead with buying the pre-mix next year when the amount could be included in its budget. The machinery would, hopefully, be loaned to the mills by a private concern.

The report estimates that 70 to 75 percent of all maize meal for human consumption could be economically fortified with riboflavin and nicotinic acid. It points out that the project would also cut the R500 000 currently being spent by the central government and provinces on the provision of vitamin preparations, mainly of the B-complex group.

The report also stressed it had not included the economic implications of a drop in productivity of pellagra patients while undergoing treatment.

Economics and Marketing is that it is down to 9,87 Mt, including 118 000 t in the Transkei and BophuthaTswana (last year 9,7 Mt).

Nevertheless the payout to farmers should be about R727m (R653m) which will help boost domestic liquidity and spending.

Local consumption is estimated at 6,8 Mt, leaving 3,1 t available for export, plus a carryover of 1,5 Mt. But the normal carryover of 900 000 t must be retained, leaving 3,6 Mt available for export, or less, if it is decided to retain more in case of emergencies.

It is too early even to hazard a guess at what export earnings may be, a Maize Board spokesman warned the *FM*. World prices started at about R100/t and increased at the end of April to R112/t. Since then they have dropped to R85/t. At the moment a bumper US crop and high Argentinian exports are anticipated, which do not augur well for SA exports, but the actual size of the US and (unpredictable) Russian crops will only be known in about 3 months.

Last year, export losses of R27,8m brought the balance on the stabilisation fund down to a dangerously low level of R14,7m. Now farmers are paying a levy of R3,60/t for everything they deliver to the Board. This should bring in R32,7m which will fill the fund's coffers again.

AGRICULTURE (3) MAIZE

Onder in die mielies

FM 28/7/78
Don't bank on huge foreign exchange earnings from maize this year — not yet.

The crop is *not* over 10 Mt, as recently predicted, after all. The latest official estimate by the Department of Agricultural

Urgent 1 2 3 4 5 Not Urgent

communication to its students?

5. Should an African Technical College offer courses in language and

- (m) Other (please specify).
- (l) Africans not regarded as capable/correctly orientated.
- (k) Africans unqualified/inexperienced.
- (j) Reactions of customers or public.
- (i) Fear of friction and hostility among different African groups.
- (h) Assumed legal restrictions.
- (g) Job reservation.
- (f) Assumed illegality of placing Whites under Africans.
- (e) Red tape associated with employment of Africans.
- (d) Trade Union/Industrial Council restrictions.
- (c) Separate offices/toilets/canteens required by law.
- (b) Apprenticeship Board restrictions.
- (a) Fear of reactions of White employees.

which you see as being the most important.

Is it because of any of the following? Indicate the 3 factors

than you indicated in the previous question?

4. What factors prevent you from employing more Africans as technicians

Maize may join top six exports

3-M A I Z E

By JOHN GILMORE SUN, TRIB. 30/7/78

THE comparatively large maize crop just harvested has major positive implications for domestic liquidity because of a net payout to farmers now estimated at around R730-million.

It will also have a major positive impact on the balance of payments.

Latest revised estimates now put the crop at over 10 million tons which makes it the second largest, exceeded only by the 1973-74 crop of 11,1-million tons.

The importance of this to South Africa is that the succession of two good crops has now also created a substantial exportable surplus which can make a significant contribution to this year's export earnings.

Present indications are, according to Standard Bank economists, that the average export price for the current marketing season will be around R96 a ton, and this implies that some R340 million could be earned in foreign exchange from estimated exports of over 3,5 million tons.

This would make maize one of the six major foreign exchange earners together with gold, iron and steel, Krugerrands, platinum group metals and diamonds.

Despite a similar overall crop size, this year's exportable surplus is much greater than that previously because of adequate buffer stocks.

These stocks also permitted an early start to the

export programme before this season's deliveries were received and 19 cargoes were sold in May for export during July.

That the surplus is still smaller than in good past export years indicates to the bank the rapid growth in domestic consumption which, it points out, has increased by about 90 percent from 3,1 million tons in 1959-60 to an estimated 5,9 millions tons in 1978-79.

Far Eastern countries have firmly established themselves as the major destinations for South African maize exports. During the last marketing season well over half of all exports went to this area with Japan, Taiwan, and Hong Kong the major importers.

This increase in the share of Far Eastern markets, which first became noticeable three years ago, is likely to continue for as long as South African maize prices and quality remain attractive to Japan.

Conversely, the importance of Europe has diminished because of good seasons there and larger plantings encouraged by EEC import tariffs and restrictions.

Generally, however, prices are declining on sales to foreign markets, after a lengthy upward trend from a low of less than R70 a ton in August last year. At that time, maize was being exported at losses of up to R29 a ton.

TELEPHONE NUMBER:

ADDRESS:

NAME:

If you would like to join the Society, please fill in the form below and leave it in the tutor's pigeonhole marked R(outside the secretary's office)

The membership fee per annum is R1. Membership entitles you to attend all addresses to the Society, film shows and seminars. If you have passed Economics II in the second class division you are also eligible for membership of Omicron Delta Epsilon, an international honour society in Economics. If you are interested in ODE please contact a committee member Jonathan Matheson 77-8668 or Gill Raine 65-2339 for further information. Speakers scheduled for this year are: Mr H. Schwartz on Aspects of the Budget on 5th April, at 5.30pm Dr F. Wilson on The Squatter Problem Professor Franssen on The Implications of the point of sale turnover tax Professor Sadié (Head of the Bureau of Economic Research at Stellenbosch) on Demography Dr Van Zyl Slabbert on Group Areas and the Housing Problem in S.A. Dr Alex Boraine on Unemployment in South Africa Mr B.C. Floor of the Transport Research Centre at Stellenbosch on Transport from an economist's point of view

RDM 30/9/78
Maize
3-maize
yield rise
forecast

THE FINAL estimate of the 1977-78 maize crop is 9.9 million tons compared to 9.6 million tons last season, says the Department of Agriculture.

The expected sorghum crop is 573 000 tons compared with 382 000 tons last season.

The final estimates in tons of oilseeds (with the previous season's yields in brackets) are: Groundnuts 210 310 (167 776), sunflower seed 508 000 (484 108), and soya beans 34 700 (70 752).

The first production estimates of winter crop tonnage are: wheat 1.7 million (1.8 million), oats 47 000 (72 000), barley 77 000 (74 000), rye 7 000 (4 000), and lupins 1 000 (4 000). — Sapa

Sun Times 14/11/78

3- General

Now it's mealie powder!

A NEW fuel-from-maize project which could save South Africa hundreds of millions of rands in oil imports and provide a major boost to agriculture, has been conceived by the chemical giant, Sentrachem.

Sentrachem, in which the Federale Group, British Petroleum and the Industrial Development Corporation have stakes, this week lifted the wraps off its R350-million, ten-site, petrol-substitution plan involving the production of ethanol (ethyl alcohol) from maize and sugar cane.

The plan is for the ethanol to be mixed with petrol and dieselene for use as transportation fuel and as chemical raw material. This will progressively reduce the country's dependence on imported oil and provide a lucrative market for surplus maize presently exported at a loss, and sugar, now straight-jacketed in a quota-controlled, depressed world market.

Sentrachem proposes to set up ten ethanol-producing plants at R35-million a piece in major maize and sugar growth areas close to petrol distribution outlets.

Each plant will have a capacity to produce at least 80 000 tons of ethanol a year.

This programme, if accepted by the Government, could produce close to a million tons of ethanol a year representing a tenth of the ten million tons of petrol and dieselene consumed in South Africa each year. This would require an in-

put of more than two and a half million tons of maize, representing roughly the quantity which was exported at a loss of about R60-million last year.

The ethanol, it is estimated, can be produced at between 19c and 21c a litre. A drawback of the scheme is that it could push the price of petrol from the present 28c to between 34c and 36c a litre, if the full Government duty on a litre of petrol is maintained.

However, not only could the price of petrol-from-oil rise to higher levels, but

Fuel from

maize could

save millions



Francis le Riche

MARLIN CREAMER

REPORTS

research and development, now at an advanced stage, could reduce the ethanol-per-litre price to more acceptable levels, as could a trimmed Sentrachem profit margin and a reduced petrol-tax take. The given price is also based on farmers receiving the full R84-a-ton price for maize normally exported at considerably lower prices. Overriding plus-factors of

the scheme are that the country will be helped along the road to energy independence and the plan has the potential to create an enormous number of badly needed jobs.

A company under which the project will fall — National Alcohol Corporation (Nalcor) — has already been registered by Sentrachem.

The scheme has been presented to the Government, but has still to gain acceptance. Though the plan is hot off the drawing board, it could be implemented immediately in the event of an oil embargo.

Revealing details of the project this week, Sentrachem's managing director, Mr Francis le Riche, and its general manager (technical), Dr Robin Robinson, said that about 2,7 million tons of maize or sugar was needed to produce a million tons of ethanol, and 750 000 tons of an enriched animal feed.

Waste products — mealie cobs, stalks and sugar bassage from the fermentation processes — would be used for the production of high-protein animal feeds and supplements.

"The whole concept is tailor-made for South Africa. We need a substitute for petrol from oil. We need to create more jobs. We need outlets for surplus agricultural products. And we will have a whole range of by products thrown in," said Dr Robinson.

Sentrachem now requires Government approval to set up a demonstration ethanol plant in the Maize Triangle.

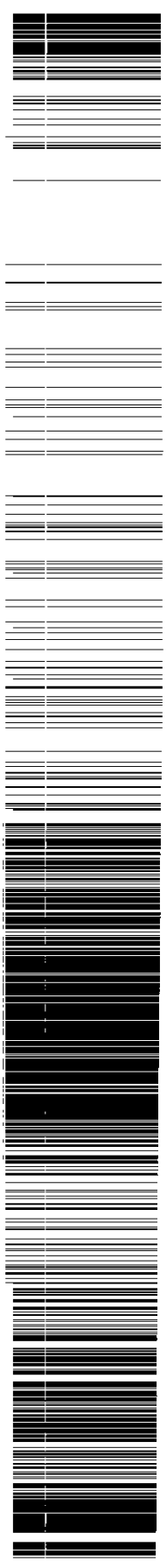
Mr Le Riche is reluctant to name possible locations at this stage.

An experiment in which Sentrachem has been involved in BophuthaTswana, in which black farmers have been achieving maize yields of between 2,3 and 3,5 tons a hectare at profits of between R70 and R150 a hectare, has formed the basis of the company's confidence that maize production can be dramatically and profitably increased — provided that it can be sold.

They see the proposed project as providing a colorful new market and estimate it could give work to 36 000 workers particularly in homeland areas.

"This sort of catalyst can convert the subsistence economy of a homeland into a reasonably affluent one in a short time," Dr Robinson says.

Sentrachem now requires Government approval to set up a demonstration ethanol plant in the Maize Triangle.



(3-General)
2 DM 21/12/75

Maize in peril as drought holds off planting

By SIMON WILLSON

THE MAIZE crop in several important growing areas of the Western Transvaal is being threatened by drought as farmers await rainfall to prepare the soil for planting.

The potato crop in the Eastern Transvaal is also threatened by the drought.

An area bounded by Lichtenberg, Ventersdorp and Klerksdorp is the most severely drought-stricken area on the Highveld. Very little maize has been planted in the triangle since the beginning of December and, as the rain continues to hold off, many farmers are abandoning maize and switching to crops with a shorter growing season such as grain, sorgum and sunflowers.

Mr M C Walters, assistant director of Agricultural Technical Services for the Highveld, said most High-

veld areas need substantial rains within the next two or three weeks.

"It could get critical if it doesn't rain hard by the first week in January. If it stays as dry as this much longer even the crops already up will be affected," Mr Walters said.

Farmers in the Kroonstad area have taken the desperate step of planting their maize in dry soil in the hope that rain will follow. Where maize was planted comparatively early in the season, as was the case around Viljoenskroon, the crop has sprung and has thrived in the dry spell.

Agricultural authorities emphasise that the effects of drought are localised. Whereas only 50% of the arable soil in the Ventersdorp area was planted by early December, the figure for the Potchefstroom area was over 90%.

Over the rest of the Transvaal the general picture is more favourable. Mr D F de Wet, regional director of ATS for the Transvaal, said the rains had been fairly good over the planting season, leaving only a few isolated dry patches.

He said expectations were high for the maize crop, but it was the potato crop that was most affected by lack of rainfall.

"We've had reports of big potato losses. Many potato growers in the dry patches have reached the critical stage," Mr De Wet said.

The worst affected potato areas are those around Middeberg, Ogies, Bethal and Ermelo.

Mr De Wet said rainfall in the Northern Transvaal bushveld and in the Lowveld of the Eastern Transvaal had been exceptionally good recently.

The rainfall situation in the Free State had improved recently, said a spokesman for ATS for the Free State and Northern Cape.

He said a drought did not strictly exist in any Free State region, although some had received less rainfall than others. The situation was more or less average.

The dry areas are in the Kalahari and Gordonia districts and in the northern Cape along the Orange River where there has been no rain in December. Farmers in these areas have had to supply additional feed to their lactating ewes and cows because the lack of rain has affected their grazing.

The water shortage in the southern Free State and northern Cape has been accompanied by irrigation distribution problems. Farmers have had to arrange to transport water themselves to their crops and animals.

The maize crops in the Free State and northern Cape have been successfully planted after recent rains. The rain, however, temporarily impeded the winter harvest which turned out to be better than expected at the beginning of the year.

Staff Reporter
SOUTH AFRICA is facing a meat shortage caused by an increasing number of meat producers turning to other areas of the farming industry.

These are the views expressed in an editorial in the December issue of Meat, a livestock publication.

Experts have estimated that even if the maximum number of cattle farmers return to the meat industry, it will take almost four years before beef production returns to normal.

"Beef farming will become uneconomical unless drastic changes are made,"

SA facing a meat shortage

according to Mr Albert Basson, president of the South African Agricultural Union.

Mr Ryf Snyman, outgoing president of the South African Federation of Livestock Auctioneers, said: "Producers have decreased their female animals and large numbers of stud animals, cows and heifers have appeared on the market, including many calves well

below weaning age."

Slaughtering of female animals has increased by 40.9% in the past five years.

Demand for stud animals, especially bulls, for stud and commercial purposes has dwindled dramatically.

The new president of SAFLA, Mr Dennis Caine, hopes to reverse this tendency and assure the country of meat in the future.

DA 21/12/78

Drought hits maize crop

JOHANNESBURG — Maize and potato crops in several important growing areas in the western Transvaal are being threatened by drought

The triangle bounded by Lichtenberg, Ventersdorp and Klerksdorp, is the most severely drought-stricken area on the highveld. Very little maize has been planted in the triangle since the beginning of December, and as the rain continues to hold off, many farmers are abandoning maize and switching to crops with a shorter growing season, such as grain sorghum and sunflowers.

Mr M. C. Walters, assistant director of Agricultural Technical services for the highveld, said most highveld areas needed substantial rains within the next two or three weeks. — DDC.

Liaison Committee in Practice

can be no doubt that generally employers have shown a marked preference for the liaison committee rather than the works committee. According to the Financial Mail there were 118 liaison committees in existence at the end of

In effect these were non-statutory works committees which were later, by the new definition of 'liaison committee'. By the end of this had increased to 773,²⁷ while at the end of 1974 the number had risen to 1 482.²⁸ Of these liaison committees, 750 were located in the Orange Free State (50,6%), 376 in Natal (25,4%), 298 in the Cape (20,1%), and 58 in the Transvaal (3,9%). By May 1975, 1 751 liaison committees had been established.²⁹ This fifteen-fold increase does appear remarkable.

In 1974, Ryno Verster, of the Personnel Research Division within the Department of Industrial Psychology at the University of the Orange Free State, conducted an investigation into the constitution and functioning of liaison and works committees.³⁰ His survey included questionnaires addressed to 1 064 employers on the subject of liaison committees and he received a suitable response from 326 (roughly 30%) employing 164 995 African workers covered by 437 liaison committees. The organisations which participated in the investigation were grouped in the following industrial sectors:³¹

TABLE 2

<u>Sector</u>	<u>Industrial Classification of Participants</u>	
	<u>Number of Organisations</u>	<u>%</u>
Manufacturing	257	79,0
Mining	9	3,0
Construction	9	3,0
Commerce	13	4,0
Services	27	8,0
Local authorities	11	3,0
	<u>326</u>	<u>100,0</u>

26. Financial Mail, 22 December 1972 p.1145. Cited in: R. Verster, Liaison Committees in the South African Industry, Bloemfontein, U.O.F.S., 1974, p.9.

27. Hansard 3 columns 160-161, 22 August 1974.

28. Hansard 10 column 691, 15 April 1975.

29. Rand Daily Mail, 22 May 1975. Cited in: Muriel Horrell and Tony Hodgson, A Survey of Race Relations in South Africa, 1975. Johannesburg S.A.I.R.R. 1976, p.212.

30. Op.cit. pp.14-16.

31. Ibid, p.17.

Star 22/12/78

3-Maize

Good rains soon or maize crop failure

The evidence to date shows a considerable over-employment between 1970 and 1975, 0,1 per cent per annum, 0,1 per cent and 1,9 per cent on the two years 1975 and 1976. We have actual employment in

ing
ions
with

Own Correspondent

The 1979 South African maize crop will be a failure unless there are good rains within the next three weeks.

TABLE 36: Minir

	Actual employment, 1978 (1)
Copper	13 229
Iron ore	9 334
Chrome	8 960
Manganese	9 176
Coal	83 814
Asbestos	21 504
SUB-TOTAL	146 017
Others	17 319
Gold	401 907
Diamonds	17 415
Platinum	71 999
TOTAL	654 657

The chairman of the SA Maize Specialist Organisation, Mr Faan Basson, warned yesterday that the next 21 days would be critical for the crop in the major maize-producing areas of the Republic.

He estimated that 80 percent of the crop had already been planted. But unless the rains came these seeds would die and the crop would fail, Mr Basson said.

His warning follows the statement on television by the Minister of Agriculture, Mr Hendrik Schoeman, that if good rains did not fall during January, February and March the crop would be cut by as much as 50 percent.

Mr Schoeman also said that the potato crop in the Eastern Transvaal was threatened by the drought.

As far as mielies were concerned, several important Western Transvaal growing areas were the hardest hit.

EXPORTS

He warned that maize exports might have to be stopped unless good rains fell.

But Mr Basson said it was too early to start talking about stopping exports.

"At this stage we have enough maize in the country," he said. About 2,5-million tons were in storage, and South Africa used about 6-million tons annually.

"If we get rain we should be able to produce the 3,5-million tons difference without any problems," Mr Basson said. A good annual crop was about 10-million tons.

In any case, cutting exports would not produce significant savings, and would merely undermine the confidence of overseas buyers.

Actual employment 1976	Employment overprojections 1976		
	Projection 2 (3)	Projection 1 (4)=(2)-(1)	Projection 2 (5)=(3)-(1)
26 790	13 224	13 561	
8 948	- 777	- 386	
5 965	- 3 109	- 2 995	
8 993	- 241	- 183	
89 339	- 1 092	5 525	
30 295	8 521	8 791	
170 330 ¹	16 526	24 313	
24 170	6 413	6 851	
425 871	23 964	23 964	
26 877	9 462	9 462	
83 742	11 743	11 743	
730 990 ³	68 108	76 333	

RSM 22/12/78

Maize exports threatened

3-maize

By SIMON WILLSON

SOUTH Africa's maize exports will almost certainly be cut next year as a result of the drought which has delayed planting in the major maize-growing regions of the Northwest Free State and the Western Transvaal.

A reduction in maize exports will have an adverse effect on the balance of payments. Maize has been the South African agricultural sector's biggest foreign exchange earner in recent years, earning about R300-million last year.

Dr P J Gous, general manager of the South African Maize Producers' Institute, said yesterday that the total maize intake from this year's crop was likely to be substantially less than last year's 9,2-million tons.

Domestic demand for maize for human and ani-

mal consumption was 6,5-million tons this year, leaving a surplus of 2,7-million tons of which about 1,5-million tons was exported.

While it was still too early in the season to be precise, Dr Gous estimated the total intake of this year's maize crop to be 7 to 8-million tons. He said the eventual export figure for 1979 would depend on the proportion of the crop retained for domestic use and reserve storage, but that it would probably be less than the 1,5-million tons exported this year.

"At this stage we are not

even sure there will be a maize crop big enough to meet domestic demand. Next year's total intake could well be less than 6,5-million tons, in which case maize may not be exported at all," Dr Gous said.

He said many farmers in the country's main maize producing areas had left planting so late that there was bound to be a sizeable reduction in crop yield. The optimum planting season in the northwest Free State ended in November. Any maize planted there since would produce a reduced yield, as would maize plant-

ed in the Western Transvaal since mid-December.

Dr Gous said over 90% of the maize farmers in these areas had planted over 20 days after the optimum planting season.

South Africa is the fourth largest maize exporter in the world after the United States, Canada and Brazil. South African maize is exported almost exclusively to black Africa — most notably Zambia, Angola and Mozambique. It is also exported to Taiwan and, in small quantities, to Europe.

Ironically, the maize crop in the 1973-74 growing season was devastated by too much rain, and only 3,3-million tons was produced. The following season established the current maize production record of 9,8-million tons when 3,3-million tons were exported at a value of R302-million.

Concern mounts over maize

ADM 27/12/78
3-Maize

HEAVY AND widespread rain over the maize-producing areas in the next six weeks is crucial to the 1979 crop, say industry sources.

The 1978 crop is estimated by the Department of Agriculture at 9 930 000 tons against the previous year's 9 780 000 tons, of which it is estimated 3 300 000 tons (2 500 000 tons) will be exported.

The eastern region — the Eastern Transvaal, Eastern Free State and Natal — which accounts for about half the crop, has completed 70% to 80% of its planting.

However, the deadline for completion there is the end of November which makes it imperative that good rains fall within the next week or so to achieve this.

The western region — the Western Transvaal and Western Free State — which contributes the rest of the crop, has until about the end of December for full planting.

However, this summer's drought has been more severe there than in the eastern region so estimates of planting progress range between 20% to 25% of that planned.

Sources rule out any reliable crop assessment before late January or early February, which is when the Department of Agriculture usually publishes its first seasonal estimate.

Compared with the Maize Board's official requirement or reserve stock carryover of 300 000 tons next April 30, the marketing season's end, it is working towards actual retention of about 1 990 000 tons.

Although current market prices might be partly responsible for the rise to that level as estimated by the board at the end of October from 20 000 at the end of Septem-

ber, present crop concern would appear to be a major factor.

If by about this time next month there has been no improvement in conditions, the Maize Board may consider a sharp curtailment in the monthly shipment rate which is roughly 18 white and yellow tender cargoes.

In the event of rain relief, the board is expected to maintain the present tender system of twice weekly offerings, revised from once weekly earlier this season.

The board says the revised system attracts more buyers, but it is difficult to quantify to what degree it has promoted greater marketing flexibility, apart from its obvious aid to operators trading short who are thus at risk over a shorter time.

The trade is pushing the board for reversal of the reduction instituted earlier this season in the quantity option available to buyers of maize on tender from the board to 5% from 15%.

Sources say this was officially to aid in the planning of movement of grain to coastal elevators for export; but a belief by the board that the trade was speculating against it was probably also a reason.

Sources say the present margin inhibits the trade's chartering flexibility and they would like at least some compromise by lifting the margin to possibly around 10%.

The board declines to comment on whether any adjustment in this respect is being considered, or whether it contemplates any further adjustment to the basic contract quantity which was reduced this year to seven metric tons from 13 metric tons. — Reuter.

This is shown in Table 2, which Health subsidy on actual approved Cape Town City Council Health Department

TABLE 2
HEALTH SUBSIDY ON CAPE TOWN HEALTH SERVICES IN 1976

Expenditure	Government Refund	%
R 80 131	R 7 875	7.9
1 577 499	1 239 425	78.6
60 411	43 592	72.2
221 836	65 228	29.4
400 718	273 559	68.3
645 656	343 561	53.2
5 279 431	2 747 831	52.1

expenditure and Department of Health refund is made up by an allocation from rates and the reserve fund.

The total expenditure on health included expenditure of R263 822 by the council on health services provided in the Black townships of Langa, Nyanga and Guguletu. In terms of the Health Act, Bantu Administration Boards are not considered as local authorities and therefore cannot provide these services.

hospital for Infectious Diseases as well. Five substantial refunds whilst other or subsidy. The balance between

Drought may cut maize by half

Star 27/12/78

3-Maize

By Rob Meintjes,
Pretoria Bureau

The worsening drought in the Highveld maize triangle threatens to destroy almost half of this year's maize harvest there.

Many Transvaal and Free State farmers in the triangle, which produces most of the country's maize, have had to switch to drought-resistant crops such as sunflower and grain sorghum.

Planting of maize could be down as much as 20 percent and it is now too late to sow the crop. Many farmers have planted mealies in dry soil, hoping rain will fall soon.

But the Weather Bureau says conditions are unfavourable for the general rains needed to save this year's harvest.

Cyclone Angele, now moving in over Madagascar, has aggravated the drought over the Transvaal by making it difficult for widespread storms to develop.

URGENT NEED

If rain does not fall over the highveld region in January the maize harvest could be reduced by 50 percent or more, according to Mr M.C Walters, Assistant Director of Agricultural Technical Services for the highveld.

He said the region needed rain "very, very urgently." The harvest would be smaller this year because of late planting even if rain did fall soon.

Pollination and growth would be seriously affected if rain did not fall soon.

In the Bothaville sub-region early-planted maize was looking good but the drought was starting to take its toll. In the Heidelberg sub-region crops were suffering, although some farmers had benefited from scattered rains.

In the Kroonstad sub-region most farmers had completed planting maize and some were still planting sunflower. In the Lichtenburg area many farmers had not yet planted maize and would plant sunflower instead. The crops already planted needed rain urgently.

Critical two

RAM 28/12/78

weeks for maize crops

3 - MAIZE

7. Emp

7.1

5 000 workers on average
then the number has de-
per cent of the total labour-

7.2

BY ROY DEVENISH
Pretoria Bureau
SOUTH Africa's maize crop has entered a critical phase and unless substantial rains fall within a fortnight the country's major agricultural foreign exchange earner could be seriously affected. The economist of the South African Maize Specialist Organisation, Mr F R Tomlinson, said yesterday that vast areas, including the Western Transvaal and the northwestern Free State, had already been affected by the drought. Expectations are that this year's crop will be at least 2 000 000 tons down on the

previous year's figure and could drop even further because of poorer yields caused by the drought. According to Maize Board figures, an anticipated surplus of about 3 500 000 tons of maize would have been available for export, so South Africa's foreign exchange earnings through maize could drop considerably. Maize exports between May 1977 and April this year were estimated at a total of 2 500 000 tons worth about R225 000 000.

employment grew at an average 3 to 8 914).

(inclusive) the growth of
d over 4 per cent per annum.

1957 employment level was

7.2.3 In 1966 employment radical discontinuities. In fact this year saw - using advanced open-cast the largest copper mine

Mr Tomlinson said although indications were that South Africa, in spite of the drought, would be able to meet domestic consumption, the foreign exchange earnings through exports would be considerably lower. South Africa imported about 500 000 tons of maize to meet shortfalls in 1969-70 and in the two succeeding seasons it imported amounts totalling about 90 000 tons. About 2 000 000 tons being held in reserve, which would be available at the beginning of the new marketing season in May, he said. But a crop failure would place a severe burden on maize farmers, who are already struggling under the effects of inflation and existing loans granted them. A crop failure now would mean that farmers would have either to find additional sources to finance next year's crop, cut down on the amount of land set aside on maize or reduce the money spent on fertiliser, labour and diesel.

Widespread rains now could allow farmers to get a final planting in before the growing season becomes too short, and will also save young mealie plants. According to the Weather Bureau in Pretoria conditions are still unfavourable for the vitally needed drenching.

7.2.4 Employment throughout presumably having to do development and coming underground mine (using 1976 employment fell quite back on trend.

Mr Tomlinson pointed out that at present farmers were being faced with cost increases of between 10% and 20% a year. These they had to meet out of their profits. He said one of the major problems has been that rain in the maize areas has been of the thundershower type, and not general rain. While some farmers have been able to plant, many have not.

output per
ation of
lesser
destined
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f Palaborwa and the
(1972-4) of the Prieska
23 However in 1975 and
ough by 1976 output was

7.3 Without more detailed information only 4: Messina, O'kiep explain the developments the strong employment trenductivity to fall are the employment is in the region in underground trackless levels. The last two years expansion of the scale of Palaborwa and the possible contraction of some others because of the low copper price (e.g. O'kiep).

individual mines (there are
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s. It looks as though
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mably output per worker
t Palaborwa open-cast
with the strong ex-
- and the possible con-

DA 29/12/78
Maize for export
3-Maize
despite drought

were estimated at a total of 2 500 000 tons, worth about R225 000 000.

Although there were indications South Africa would still be able to meet domestic consumption, the foreign-exchange earnings through exports would be lower.

South Africa imported maize to meet shortfalls in 1969-70 and in the two succeeding seasons, when it imported lesser amounts.

Mr Tomlinson said there were 2 000 000 tons being held in reserve, which would be available at the beginning of the new marketing season in May.

The country's domestic consumption amounted to between 6½ million and seven million tons a year.

A crop failure would place a severe burden on maize farmers who may have to find additional sources to finance next year's crop, cut down on the amount of land set aside for maize or reduce the money spent on fertilizer, labour and diesel.

Widespread rains now could allow farmers to get a final planting in before the growing season becomes too short, and would also save young mealie plants.

Up to 50 per cent of the crop could be lost if the drought continued.

According to the weather bureau in Pretoria, conditions are still unfavourable for rain. — DDR.

EAST LONDON — While the countrywide drought is causing headaches for maize farmers, men are working overtime at the harbour here to export South Africa's biggest foreign-exchange earner in the agricultural world.

Eighteen shiploads of maize and wheat will leave in January and 16 more in February.

The system manager for the East Cape, Mr D. Butler, confirmed yesterday that there were four ships in port either loading or waiting to load wheat or maize.

On the whole, South Africa's maize crop has entered a critical phase and unless substantial rain falls within a fortnight, the position could be serious.

The economist of the South African maize specialist organisation, Mr F. R. Tomlinson, said yesterday vast areas, including the Western Transvaal and the north-western Free State had been affected by the drought.

Present expectations for this year's crop would be at least two million tons down on the previous year's figure, and could drop more, owing to poorer yields caused by drought.

According to the Maize Board, an anticipated surplus of about 3 500 000 tons would have been available for export.

From May 1977 to April this year, maize exports

This pre-employment checks are recommended by the Commission, partly to ensure that unhealthy workers are not employed, and partly so that responsibility for the disease can be avoided as far as possible — and costs can be shifted backwards to fall ultimately on the worker himself.

9. The Commission points to an alarming high rate of occupational disease in industry and on the mines. This rate is probably in fact still higher, since i) accidents are specifically excluded, ii) the health of the working class community as a whole is not taken into account and iii) the Commission itself notes a lack of information in many critical areas. Yet its recommendations are surprisingly diffident, even in its own terms. Recommended maximum threshold levels are suggested, only as indices (and then not in all branches of industry), licensing is recommended rather than the laying-down of strict limits — and licensing is to be selectively applied — and recommended sanctions for contravention by industrialists are extremely mild. Great emphasis is laid on co-operation between workers and employers as a means of securing industrial safety

Dudley Horner
Alide Kooy
Shirley Miller

Cape Town, September, 1978.

the railways, the department of industries should be allowed, to retain direct control and a in health matters affecting the question of why this Commission. One tentative answer is that a nce of occupational disease and ng production — and proving a itself called forth a response. atedly expresses concern at the high disease, sometimes explicitly in nction. Furthermore, it is possible orating working conditions might of politically effective 'pressure nment of a Commission.

Agriculture —

3 Maize

21 DEC 1979

3 JAN. 1979

~~17 JULY 1979~~

✓

Star 3/1/77
Next fortnight
is critical for
maize farmers

3-Maize

Pretoria Bureau

The next fortnight will be the most critical for maize farmers in the Transvaal highveld triangle where crops have been severely damaged by continuing drought conditions.

If good rains fall within the next two weeks farmers can expect improvements in their crops, although losses will still be extensive because of damage already inflicted by the unusually dry spell.

"We are going into a critical stage, because the situation can change if we have good rains over the next fortnight. However, it is too early to speculate as to crop losses at this stage," said Dr J D Slabber, director of the highveld region for the Department of Agricultural Technical Services.

Dr Slabber said by the end of December, with the exception of the eastern areas, most of the highveld region was suffering from drought conditions.

"Only 80 percent to 90 percent of the normal area used for maize farming has been planted this year," he said.

The deputy director of the South African Agricultural Union, Mr P H Swart, said today that grazing lands for cattle were still reasonable.

The Star's Pietersburg correspondent reports that good rains fell in the north-east and north-western regions of the Transvaal last night.

The rainfall has helped to improve grazing in the area.

4.

great need to create employment in the country to spread into the towns and if Botswana's work in South Africa is not to remain a potential and social stability.

rights to Europe hides the problems that accompany accepting the apparent slight decline in off-farm pasture land. The demonstration of some projects to oversee building programmes, as in the ARDP, management with the tribal Land Boards is essential. There is no regular or standby drought relief available to lay quickly and efficiently. As a result, the income of rural households whose income equals that of the urban areas is likely to make the decision to rely on Botswana's aid to carry them through periods of drought.

It is unlikely that technical and market infrastructures will enable the poor majority to improve their living standards.

Botswana has, on the drawing board, a Labour Intensive Construction Unit. Given the history of capital intensive construction and maintenance methods borrowed from South Africa this is a significant departure of great potential benefit to the country. The aim is to develop labour intensive construction techniques in a pilot organisation that can be then be adopted nationally. Lesotho has recently set up such an organisation as a part of the Ministry of Works. Both countries are likely to face the same problems in getting their units off the ground. The pressure for jobs and the expectation of full-time employment by a Government organisation - backed by minimum wage law in Lesotho and by an Incomes Policy in Botswana which so far has worked rather as a minimum wage mechanism - makes it difficult to predict a wage rate that will attract labour and yet be low enough to make labour-intensive methods viable. In Botswana the consultants have recommended a wage rate above P1,00 per day¹ which is almost certainly too high for the purpose. In Lesotho the difficulty is compounded by the use of the labour intensive construction unit as a contractor to bid for work required by other departments. This has led, in only the first flush of the unit's life, to

1. P0,86 = Rand 1,00.

The mealie tradition

slow 4/1/79 (3-Ma13c)

If the rain does not come down in the next 14 days then the price of mealies will go up says the Minister of Agriculture — and so will beef, chicken, eggs and a host of other things. And

knowing our luck, if the rain does come down everything will still go up because traditionally farmers end up on their flooded farmhouse rooftops clutching their drought relief papers.

	Before		After	
	Income	Expenditure	Income	Expenditure
Farm Operations	21	5	100	25
Other Income	99	-	70	-
Transfers	40	-	10	-
EGS	-	-	250 ⁽¹⁾	-
Sale of Annual Rental on Grazing Rights	-	-	50 ⁽²⁾	-
Home and Farm Improvement	-	-	-	60
Tax on Grazing Rights	-	-	-	20
Education	-	5	-	40
Health	-	5	-	15
Consumption	-	145	-	310
Savings	-	-	-	30
	160	160	480	480

(1) Need P450 to reach poverty line. Any additional income earned under an employment programme above P250 would probably add considerably to Farm Improvements, Consumption, Savings and Expenditure on Farm Operations.

(2) Calculated on rough share of P1 million total transfer by rental sale.

N.B.

Accepting the above figures, P250 earned and P50 from the sale of annual grazing rights would:-

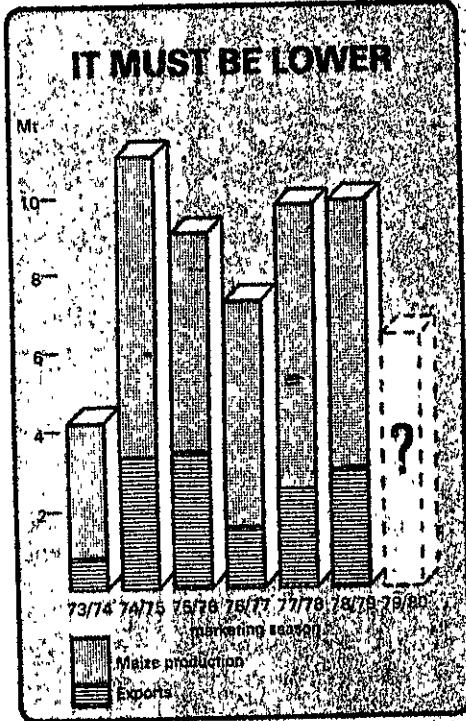
- i Increase family income by P320, particularly from larger outlays on farm operations.
- ii Increase family on-farm investment and savings from zero to an appreciable proportion of income, here above 20%.
- iii Raise expenditure on health and education 500%.
- iv Increase expenditure and income from farm operations appreciably, 500% on each, thereby increasing the supply of consumption and agro-industrial crop to society and producing a downward pressure on prices.
- v Create a general demand for services and a capacity to pay a greater share of the cost than hitherto, this, particularly with transport, storage and trading, and with health and education should lead to greater efficiencies.

MAIZE CROP *EM 5/11/79 (3)*
Withering

The Maize Board told traders last week that its March export programme, for which tenders are being accepted this month, will be 50% lower than February's. And exporters fear that if soaking rains do not fall over the Maize Triangle within the next fortnight, April's exports will be slashed virtually to nothing.

The dry weather allowed farmers to

260
240
220
200
180
160



plant only about 80% of last year's crop, and heat is now withering many of the plants that have germinated.

Kroonstad, for instance, had only about 153 mm of rain during the planting season (October to December), compared to its long-term average of almost 217 mm. Just over 210 mm fell at Bethal, against the normal planting fall of 332 mm. Potchefstroom, near the third corner of the Maize Triangle, had only 97 mm of rain in December, over 40 mm less than in the last month of 1977.

Optimists point out that last year the heavens opened only at the end of December, and that farmers managed to produce a near-record crop. But last season's plantings were high. This year dry soil has prevented many farmers from planting maize, and some have switched to sunflowers and sorghum.

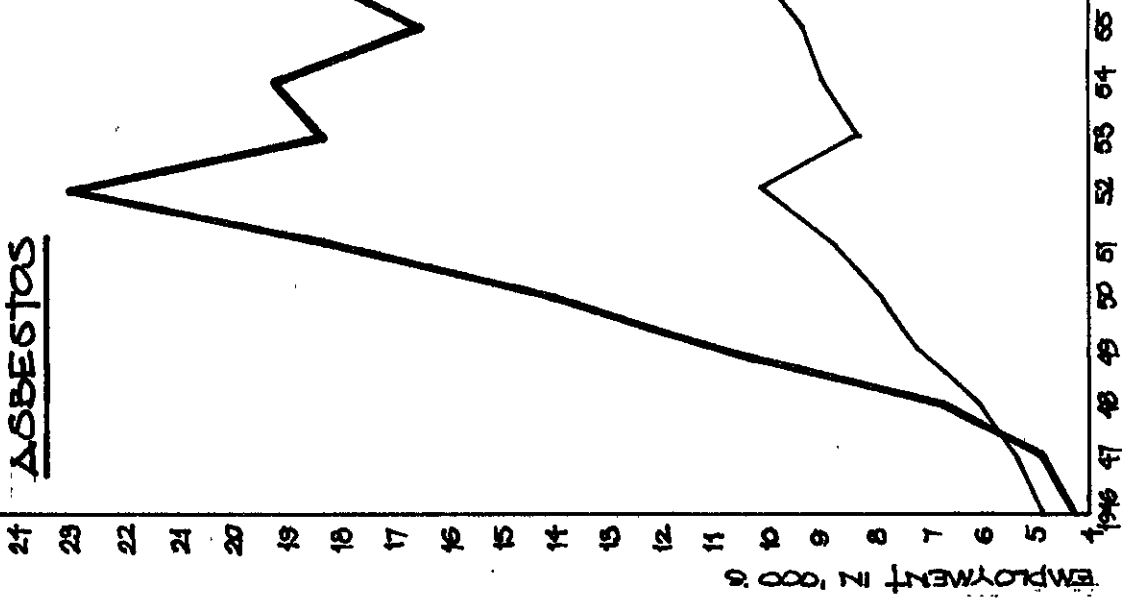
The 1979 crop will certainly be a lot lower than last year's 9.9 Mt, though it is still too early to predict by how much. January's weather will be the decider.

A grain of comfort is the 2 Mt of maize likely to be carried over from last year's crop. With domestic consumption at around 6 Mt a year, the 1979 crop would have to be as low as 4 Mt to force purchases from abroad.

Poor crop prospects have driven up prices at the Maize Board's twice-weekly tenders. In the early part of December, export cargoes were sold at an average of around R96/t. By this week, prices had crept up to R103/t, the first time since early 1978 that the R100/t barrier has been breached.

Despite the cut in exports from March, foreign sales for the season (which ends on April 30) will probably still be above 3 Mt. And the maize trade is holding thumbs that this year's crop will allow 1-2 Mt for export.

GRAPH 6: MINING EMPLOYMENT AND ASBESTOS



Drought-hit maize farmers face ruin

RDM 6/1/79

3-maize

By INGRID NORTON

A CRUSHING drought in South Africa's main maize producing area has cut the season's planting by more than two-thirds, leaving hundreds of farmers facing bankruptcy.

They have been able to plant and plough only 30% in the area stretching from Mafeking to Ermelo and south to Kroonstad.

Even with immediate rains the crop is expected to produce no more than 75% of last year's 10-million ton yield. The price of maize products and beef is likely to rise as a result.

Mr Sonny Kahn, a prominent grain merchant, said yesterday: "It is difficult to estimate the amount of damage at this stage but I would say, no rain at all, no fall crop at all.

If there is no good rain to March the damage to the entire crop will be enormous and the position will be very much more serious than it is now. South Africa will have to import maize.

The weather Bureau in Pretoria said yesterday that a continuation of the dry weather over the maize triangle was likely.

The secretary of the South African Maize Organization (SAMS), Mr Hans van der Merwe, said a large percentage of the farmers in the maize triangle were facing bankruptcy.

Farmers had been granted large loans from cooperative and because there would be no yield they would be unable to repay their loans.

There is no direct Government subsidy to farmers.

Mealies are now in their seed stage and it is not likely they will develop unless there is a good amount of rain within the next two weeks.

Mr J Human, the assistant secretary of the Transvaal Agricultural Union, said it was very difficult to say how many areas would be totally spoilt.

"The maize will not grow properly now," he said, "and if it grows at all it

437.42
37.42
7.80
12.00
10.00
50.00
3.20
10.50
37.00
8.40
22.00
(32.10)
(2.55)
(41.00)
77/77

77/78	15	43.89	Petty
		1.04	Petty cash
		44.93	
		(50.18)	Surplus for the period
		256.22	(-5.25) Sept '77-Sept '78
		R301.15	
77/78	15	43.89	Savings a/c
		1.04	Petty cash
		44.93	
		(50.18)	Surplus for the period
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77/78	15	43.89	Savings a/c
		1.04	Petty cash
		44.93	
		(50.18)	Surplus for the period
		256.22	(-5.25) Sept '77-Sept '78
		R301.15	

will be an inferior quality that will have to be fed to the cattle."

A rise in the price of beef and maize is likely later in the year, Mr Human said.

"Normally, the cattle graze from the veld which is now hard and dry. The farmer must continue his work with the crops for fuel."

A maize farmer in the Ottosdal area in the western Transvaal, Mr Rudi Pines, said the damage to his crops was just starting.

Although the immediate area is not too bad yet, the leaves are starting to wilt and turn yellow, and they will die if there is no rain. I'd hate to hazard a guess at the loss the drought could bring.

The Weather Bureau reports that conditions over the weekend in most parts of the country should be fine and warm with the occasional thundershowers. There is no sign of a heavy rain build-up.

Feed only to feed to the cattle.

"Our land is a vital part of our economy," said Mr Human. "We can only cross our fingers and hope."

BophuthaTswana is said to be in the same critical state as the western Transvaal and the northern Cape. Mr Van der Merwe said that of all the black areas, BophuthaTswana was the only one that produced a meaningful maize crop. People in the homelands, however, rely heavily on

TABLE 34: ACTUAL (1970-76)

O) MINING EMPLOYMENT

	Plewman prc		Actual employment, 1970-76		
	1970 1/	1980:Projecti 1/	1970 2/	1976	Max. 1971-76 if not 1976
Copper	11 541	41 900	12 205	13 229	15 744 (1973)
Iron Ore	6 002	10 400	6 153	9 334	9 515 (1975)
Chrome	4 895	6 200	5 078	8 960	
Manganese	8 045	9 200	8 244	9 176	9 211 (1973)
Coal	72 555	84 000	75 742	83 814	
Asbestos	19 817	39 600	19 817	21 504	
SUB-TOTAL	122 855	191 300	127 239	146 017	
Others	22 534 ^{3/}	26 500	21 538 ^{4/}	17 319 ^{4/}	21 395 ^{4/} (1973)
Gold	413 272	413 000	425 871	401 907	430 463 (1973)
Diamonds	21 005	30 500	21 488	17 415	20 934 (1974)
Platinum	61 167 ^{3/}	99 700	62 454 ^{5/}	71 999 ^{5/}	86 892 ^{5/} (1974)
TOTAL	640 833	761 000	661 442 ^{6/}	657 592 ^{6/}	677 668 ^{6/} (1973)

DD 6/1/79
**Maize still
 flows into
 EL port**

EAST LONDON — Maize from the Free State and Northern Cape is still pouring into East London with about four or five trainloads daily being the average.

The System Manager in East London, Mr. D. Butler, said the arrival of maize trains varied, but it is usually about four or five a day. My men down at the harbour are working overtime to keep pace with the arrivals."

Mr. Butler said the grain elevator could take 75 000 tons of maize and that yesterday morning there were 55 000 tons in the elevator.

Yesterday the Kanetashi Maru was still loading. She is one of three maize ships in port at present.

Mr. Butler said there had been no slackening off of the maize trains and he did not know when this would happen. — DDR

Notes:

- 1/ The Plewman 1970 figures are of actual employment. They measure the average number of persons at work, and exclude workers in 'works and power supplies'.
- 2/ Our 1970 employment figures measure the average number of persons in service, and also exclude workers in 'works and power supplies'.
- 3/ In Mining Statistics⁴⁸, in place of Plewman's 'Others = 22 534' and 'Platinum = 61 167', we are given 'Tin mines = 2 720', 'Others = 59 443' and 'Quarries and Salt = 21 538'. These three add to 83 701, which is also the total for Plewman's two categories. He appears to have put about 1 000 workers with 'Other' and identified it as Platinum; and the remainder of Tin has gone in with 'Quarries and Salt' to a new 'Others' category.
- 4/ In looking at employment experience in the Plewman 'Others' category we have concentrated only on the Mining Statistics 'Quarries and Salt' category.
- 5/ In looking at employment experience in 'Platinum' we have taken it as identical with the Mining Statistics 'Other' category.
- 6/ The totals are greater by 2 700 than the sum of the listed components because tin mines employment is omitted - and not reallocated to other mining industries.

NUWE MIELIES VIR DROOGTE OP KOMS

③ - Meakes

Rapport 14/1/79

DIE heersende droogte in die mielieproduserende gebiede kan oor die volgende paar jaar tot 'n groot ommaswaai na mielies met 'n korter groeiseisoen aanleiding gee.

Dit is die mening van dr. Piet Möhr, assistent-hoofbestuurder van die Sentrale Saadkwekerskoöperasie (Sensako). Hierdie soort mielies het natuurlik 'n ietwat laer opbrengspotensiaal, maar het ingeteelde bestandheid teen droogte.

Dr. Möhr reken dat boere wat die komende paar jaar voor die tradisionele 10 tot 15 November mielies in die Wes-Transvaal plant, gevaar loop om hul oeste te verloor noudat dit lyk of ons weer 'n paar droër jare binnegaan.

Boere val reeds terug na die bekende korter groeiseisoen-soorte soos SSM-cultivars 42 en 55 (geel) en 43 en 101 (wit) met ingeboude droogtebestandheid. Hierdie cultivars moes die afgelope goeie reënjare toe boere reeds in Oktober begin plant het, plek maak vir soorte met 'n hoër potensiaal.

Met al die goeie jare wat ons agter die rug het, was dit onmoontlik om presies op navorsingsgebied te bepaal hoe dit in alle opsigte vorder met nuwe korter groeiseisoen en droogtebestande cultivars. Op hierdie vlak het Sensako egter nou 'n hele handvol nuwe proefvariëteite op die lande in veral die droogtegeteisterde gebiede wat besig is om te toon hul hul sout werd is.

Veelsydig

Volgens dr. Möhr is Sensako se teelprogram daarop ingestel om drie groepe mielies te teel waarna dit veral met droër jare in die vooruitsig lyk of 'n groot behoefte daarvoor gaan bestaan. Die eerste is 'n mielie met lang groeiseisoen en die hoogste opbrengs onder optimumtoestande vir dele van die land waar dit nog goed

reën.

Dan is daar 'n veelsydige mielie wat onder gunstige omstandighede 'n relatief hoë opbrengs kan gee en onder ongunstige omstandighede nog die pot aan die kook kan hou. Ten derde is daar 'n kort groeiseisoenmielie met droogtebestandheid, wat darem nog 'n oes kan verseker as die jaar op die verkeerde voet afsit.

Dit is hierdie nuwe cultivars wat boere vanjaar oor die hele mielieproduserende gebied in 150 veldproewe op 35 Sensako-boeredae self sal kan evalueer. Dr. Möhr sê daar is na die hoogste moontlike opbrengspotensiaal met hierdie mielies gestreef en van die variëteite toon belovende resultate. Beperkte hoeveelhede van hierdie saad behoort vir die volgende plantseisoen beskikbaar te wees aan boere.

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ffect, like a catalyst,

communities as the following statistics show. The birth rate which was one of the highest in the world in the coloured community, has dropped from 32 per 1000 in 1968 to 23 per 1000 today. I believe our part has been to motivate our patients of the importance of family planning at such psychological times as during pregnancy and in the pre-school period, of stressing the importance of rearing this child as a healthy child, before thinking about the next one.

The present infant mortality rate for the white and coloured community which make up, nearly 90% of the population of Cape Town is 22 per 1000 and let me remind you that is in a society which only allows limited abortions but does allow slow infanticide of unwanted infants.

Insect threat to late maize

RDM 16/1/77

3-Maize

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By INGRID NORTON

FARMERS who were forced to plant maize late in the season to avoid the worst of the drought are now facing another threat - attacks by thousands of stalkborer insects which destroy the crop by feeding on the growing leaves and the cob.

Mr Tom Drinkwater, an entomologist at the Summer Grain Centre of the Department of Agriculture's Technical Services division in Potchefstroom, said yesterday that a great percentage of the country's remaining maize crop was in danger.

"Normally at this time of the year the seed has emerged in a healthy condition, but this year the maize was planted very late and the young crop is under attack by the insects that feed only on the new plant."

Eggs are laid by the stalkborer moths at night. Each moth lays between 10 to 80 eggs beneath the leaf sheaths. They hatch after about a week and 24 hours after birth crawl into the

productivity
plant's funnel leaves to
feed.
"When these tender, rolled-up leaves begin to grow the extent of the damage becomes known," Mr Drinkwater said.
The insect usually attacks in November. Last year there were relatively few so farmers did not use insecticide spray.
"More than ten per cent of the crop in the Potchefstroom area has been affected and spraying must start immediately," Mr Drinkwater said.
Mr J Human, the assistant secretary of the Transvaal Agricultural Union, said the insects had damaged maize all over the Transvaal.
"Farmers should begin killing them off with sprays now," he said.
One of the world's leading scientists on maize diseases, Professor A L Hooker, professor of plant pathology and genetics at the University of Illinois in America, is visiting Potchefstroom for six months to study the origins and causes of maize disease.

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is even more worrying in the case of asbestos which seems to have experienced productivity growth for some time. The evidence from the 1970s (and back well into the 1960s) is that there has been no regular productivity advance in chrome mining. There do not seem strong reasons for objecting to the Plewman projections for iron ore, manganese and coal.

We shall accept the constant output per head assumption for gold mining. In the case of platinum the evidence is less clear and we would prefer to leave the door open for some (perhaps slow) growth of platinum output per head. And the same holds for diamonds.

3.4.3 Employment projections, 1980-2000

It may be more helpful to approach these employment projections by presenting numbers of workers who are to be employed in 2000 - rather than rates of growth of employment over time.

MAIZE FARMERS

Peace in our time?

It's anyone's guess whether Agriculture Minister Hendrik Schoeman's latest initiative to end the feud among SA's maize farmers will succeed.

For several years the government-recognised SA Maize Speciality Organisation (Samsos) and the more militant SA Maize Producers Institute (Sampi) have battled for the hearts, minds and cheques of about 18 000 maize farmers. "The bickering creates a lot of problems on the platteland," notes one industry insider.

Sampi, whose support is concentrated in the NW Free State and Western Transvaal, claims to have 8 000 members. "They still have quite a strong following," says an onlooker, "and they can make life difficult for the Maize Board and the government, especially in price negotiations."

Schoeman has now proposed that both bodies are disbanded and replaced by a new, joint organisation, which like Samsos, would be affiliated to the SA Agricultural Union.

Twenty districts in the maize-producing areas would each elect one representative to the council of the new body. Together with a chairman, vice-chairman and three co-op nominees, these men would then elect eight new producer members of the Maize Board. (Four of

the board's current producer nominees are Samsos men, and four are nominated by Uniegraan, a co-op organisation.)

"We're throwing our full weight behind this," says Samsos director Gert Venter. "In the past five to six months we have tried to co-operate with Sampi as far as possible." Venter points out that both bodies have recently avoided sniping at each other in public.

Sampi is more hesitant. "These are far-reaching proposals which we have never agreed to before," says GM Pieter Gous, adding that "the board's producer representatives should be chosen by a congress of farmers." The institute's board met on Wednesday to consider Schoeman's suggestions. But says Gous, "our members must make the final decision."

That can't happen before February 21, when Sampi holds its annual congress. It thus looks unlikely that Schoeman and the Maize Board will face a united group of farmers when this year's maize price negotiations — which are expected to be particularly delicate — kick off early next month.

Saldru wishes to express its grateful thanks to the Ford Foundation, India for its generosity in seconding Dr. Reynolds to Saldru for three months, June - August, 1977. We are grateful too, to the Harry Oppenheimer Institute for African Studies at the University of Cape Town for a grant enabling Dr. Reynolds to travel through Southern Africa in order to undertake the research on which this paper is based.

Acknowledgements

'The exploration programme

HERBICIDES *7/12/77*
3/1/78
Maize farmers gripes

Have maize farmers been taken for a ride over the price of atrazine, the main herbicide used in the industry? Many think so. Sole SA manufacturer Agbro, a Sentrachem subsidiary, dropped the price by 25% last September, and farmers are now asking why the price was so high in the first place.

The reduction came after a co-operative, Kroonstad Wes Kooperatief, made a bulk purchase of atrazine and sold it to farmers at 75% of the going Agbro price. Other co ops in the area were forced to follow suit.

Atrazine imports cost R4,9m in 1976 dwindling to R95 000 in 1977 when Agbro's Berlin plant came on stream. Agbro now supplies virtually all of SA's 1 600 t consumption, and protected by a 20% (or R3,40/kg less 80% FoB value)

import duty, has the R15m/year market pretty well sewn up.

Although Agbro's GM, Gerhard Basson is reluctant to admit it, his company was apparently jolted into lowering prices, which now compare favourably with those of the mammoth 70 000 t/year US producers (operating at 60% capacity).

Another of the co ops' gripes concerns the high costs of servicing passed on to farmers by herbicide distributors. Agbro maintains that this "missionary" work is vital to keep growers abreast of latest developments.

Some user resistance seems to be developing. Dr Gert Visser, Samsol director, has noticed a move away from atrazine (which at present accounts for 50%-60% of herbicides used on maize). Samsol's Dr Gouws has also noted price resistance. Savings can obviously be made on herbicides, atrazine in particular," he says.

Agbro's commercial manager, Derris Senekal, claims that the company is saving vital foreign exchange and achieving strategic self-sufficiency. Co ops, however, argue that imported raw materials comprise the bulk of atrazine expenses anyway. The *FM* understands that Agbro is looking to local manufacture of these (ammes and cyanuric chloride) sometime in the near future.

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future) he projected a steady decline over time to the end of the century.

Projected output at that stage was $\frac{100}{413}$ of its 1980 level - about 240 tons.

The more recent view is that gold output (which has fallen well below the 1970 level) may rise somewhat from 713 tons (the current level) to around 800 tons by 1985, and will decline thereafter to about half its current level by the end of the century (Etheredge).⁵⁹ This gives a 2000 projection of about 355 tons - about 115 tons higher than the initial Plewman projection (with considerable employment implications). The current fairly optimistic views about the future of the demand for uranium (as by-product of, or co-product with, gold) reinforce this estimate. In summary: we shall revise up the Plewman gold production projection for 2000 by about 50 per cent.

3.4.2 Labour productivity projections, 1980-2000

All long-run projections must be highly tentative, but one has the feeling this is especially true for forecasts of technical progress.

Plewman made assumptions (in Section 2.2 of this chapter) about the change of techniques and labour productivity over time. In general he assumed something about what we might call marginal labour productivity in the various branches of mining viz. that all increases in the production of minerals will be at productivity rates at least

Food costs to soar if ^{Staw 20.2/80} farmers win ^{3 (Maize)} maize rise

By Charlene Beltramo
Farmers seem set to ask the Government to increase the maize price by 27 percent in April.

Such an increase will have a major effect on the prices of basic food-stuffs such as butter, eggs, poultry, dairy products, meat, maize meal and animal feeds.

Dr Jan Lombard of the Meat Board said that if maize increased to R120 a ton from the present price of R102, the price of beef would have to go up 40 percent.

However, maize farmers point in justification to price increases of 14,3 percent for fertiliser last year, and 17,1 percent this

year. Fertiliser accounts for 33 percent of maize production costs.

Even more serious is a minimum anticipated loss of R100-million on maize exports this year.

Surplus over the five-million ton consumption figure for maize is traditionally exported.

This year a better than usual crop, of nine million tons is expected.

A spokesman for the South African Maize Producers Institute, said this loss would have to be carried by consumers if surplus were not converted into ethanol.

He said the export loss would be a direct result of the United States cancelling its 4-million ton

grain contract with the Soviet Union.

"The Government has already said that it will not, in turn, supply Russia," the institute spokesman said.

"The international market will be flooded. American farmers sell their maize for R80 a ton — R22 cheaper than we do — and although it is inferior, they will dump it on the world market."

Maize export losses would have a tremendous effect on the economy.

Consumer groups have appealed to the Government to take whatever steps it can to keep maize prices down.

● Page 5: Gold price may stem bread price increase.

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policy will be given and in the final section an effort will be made to show what part the three agricultural departments play to compensate for the effects of the agricultural policy.

IMPLEMENTATION OF AGRICULTURAL POLICY

In order to implement agricultural policy and to fulfil the needs of the agricultural sector, a number of measures have been designed. The administration and implementation of these measures devolve mainly on the agricultural departments, namely the Department of Agricultural Economics and Marketing, the Department of Technical Services and the Department of Agricultural Credit and Land Tenure. Contributions are also made by the Land and Agricultural Bank of South Africa, the Department of Water Affairs, the Department of Bantu Administration and Development, and Departments that provide public services. The services and facilities concerned more directly with agriculture are divided into nine categories: (1)

(1) Soil and water conservation

In regard to the natural resources, soil and water, there is a long-term policy of conservation and their effective utilization and improvement, as contained in the Soil Conserva-

SA can weather maize export fall of R100m

11/2/79
R100m
3 maize

Financial Editor

MAIZE exports seem set to be between R70-million and R100-million less this year than in 1978.

This is not as bad as some previous estimates had suggested, but it will obviously have some restraining effect on the economy.

So long as the price of gold stays solidly above \$200 — and it is now trading in the \$235-\$250 range — the balance of payments can hardly be a major problem this year.

Dr. Gerhard de Kock, senior Deputy Governor of the Reserve Bank and special economic adviser to Senator Horwood, the Minister of Finance, has said that the surplus on the current account of the balance of payments in 1978 was at least R1 500-million.

He has pointed out that a surplus anywhere near that level would be highly unwelcome this year — because it could only mean that the economy was still growing too slowly with imports heavily depressed.

Various private sector economists have suggested that there should be a current account surplus this year of at least R500-million, however, and there is, therefore, little need to worry about loss of foreign exchange earnings from the lower maize contribution.

But there is more reason for concern in terms of the overall impact of maize on farmers' incomes and the general level

of economic growth.

A report from Reuter yesterday quoted maize industry sources as saying that the 1978-79 maize crop, was expected to turn out about 25% down on the level for 1977-78 — around 7 500 000 tons against 9 930 000 tons before.

This lower crop could mean a drop in the farm incomes from it of R200-million to R300-million compared with the previous year.

That will knock an important chunk of potential consumer spending.

Even if further measures to stimulate the economy are taken in next month's Budget they will not quickly offset the farming income downturn.

Although this factor should not be overstated it is certainly an important qualification to hopes of a 4% real growth rate this year.

According to Reuter sources the estimate of a 7 500 000-ton maize crop for 1978-79 — and allowing for domestic consumption, retentions and losses — would allow for a stock carryover at the end of the season (from April 30) of 2 150 000 tons.

That in turn would make between 2-million and 2 300 000 tons available for export at prices around R100 a ton.

Last year, however, exports totalled over 3-million tons so there could be a shortfall of as much as 1-million tons this year, not less in any event than 700 000 tons.

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Table 30. Frequency with which firms in Rosslyn sample indicated that a factor was one of the three most important which prevented them from employing more African technicians than they had indicated in Question 3, therefore the table summarises the attitudes of three firms.

The answers to Question 4 (factors hindering firms from employing more African technicians...) are tabulated below. Seven of the 10 firms interviewed said that they felt that nothing hindered them from employing more African technicians than they had indicated in Question 3, therefore the table summarises the attitudes of three firms.

Border farmers told: grow maize

3 MAZE 3/2/79
 (4)

(6) DOHNE — The Deputy Minister of Agriculture, Mr Sarel Hayward, yesterday urged farmers in the Queenstown-East London region to produce more maize because this was costing the area R10 million a year.

The Dohne region in the Stutterheim district had earned the reputation of being one of the best stock regions for stud farming as well as commercial meat, wool and milk production, Mr Hayward said.

Speaking at a farmers' day meeting at the Dohne research station, he said the farmers in the region were in a particularly lucky position in that they had experts nearby.

With the research station at their doorstep

"they can easily obtain good information about all aspects of their undertakings." It was of the greatest importance that agriculture production material was of the highest standard.

Although the Dohne sour veld could support stock farms during the summer months, it could also, if properly planned, be developed for intensive farming. By careful planning crops, pastures and the veld could be integrated to provide adequate provision throughout the year.

The area had a high potential for growing maize and a variety of other crops.

About 1,2 million bags of maize were brought into the East Lon-

don/Queenstown area each year from outside. This represented a R10 million drain out of the area.

"The expenditure on fertilisers, seed, fuel, etc, needed to produce this maize could result in a substantial boost to the local economy.

"With the existing arable land, it is possible to expand maize production for human as well as animal consumption without adverse effects to other important fodder crops and pastures," Mr Hayward said.

He also said it was the duty of every cattle farmer to acquaint himself with all available information about effective management of the veld. — PC.

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Wales rejects devolution

LONDON — The Labour Government has suffered a staggering defeat over its plans for devolution for Scotland and Wales.

Wales voted massively against devolution in yesterday's referendum — 956 000 against, 243 000 for. In Scotland there were more "yes" votes, but the total fell considerably short of the required target — 40 per cent of registered voters.

In Scotland, more than 50 per cent who voted cast "yes" votes, but they amounted to fewer than 40 per cent of registered voters.

The Labour Government, which has identified itself with

devolution — a measure of self-rule — for Scotland and Wales, is now obliged to place an order before Parliament seeking the annulment of both Devolution Acts.

But if Mr Callaghan persuades Parliament to reject this order, he can keep the devolution issue alive.

He can argue that he is entitled to do this because more than 50 per cent of the people who went to the polls in Scotland yesterday voted "yes".

But opposition leader Margaret Thatcher has said she will table a no-confidence motion if he

tries to flout the 40 per cent requirement.

News of the referendum setback reached the Labour Government just after it had learnt the Conservative Party had increased its majorities in the Clitheroe and Knutsford Parliamentary by-elections, campaigning on industrial strife and trade union power.

The chairman of the Conservative Party, Lord Thorneycroft, welcomed the Clitheroe and Knutsford results with the words: "The message to the Prime Minister is loud and clear — in the name of God, DDC/SAP/RNS.

11. How did you see
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 Economic Dev
 Conservative Party had increased its majorities in the Clitheroe and Knutsford Parliamentary by-elections, campaigning on industrial strife and trade union power.
 1970-76 (and)
 Conservative Party, Lord Thorneycroft, welcomed the Clitheroe and Knutsford results with the words: "The message to the Prime Minister is loud and clear — in the name of God, DDC/SAP/RNS.
 10. How did you see
 We shall attend to the message of the Prime Minister is loud and clear — in the name of God, DDC/SAP/RNS.
 3. (Questions 10, 11)
 Assessment of
 og, DDC/SAP/RNS.
 9. (Not for borders)
 For how many years

- (1) Contract worker with a contract (majority)
- (2) Contract worker in the area illegally
- (3) Permanent resident by birth (border)
- (4) Permanent resident through continuous employment for 10 years or 15 years legal residence in Cape Town, (10)(1)(b)
- (5) Intending to qualify for permanent residence through 10 years continuous employment.

LEGAL STATUS

Maize harvest drop predicted

Agricultural
Correspondent

A LEADING grain merchant has painted a gloomy picture for this season's maize harvest and forecast a drop of 30 per cent below last year.

According to the firm Kahn and Kahn in Johannesburg a crop of more than 6 750 000 tons cannot be expected. This is about 30 percent less than the maize harvest last year.

The Maize Board in

Pretoria yesterday declined to comment on the forecast and said the first official estimates of the maize harvest would be released later this month.

Since the season began, growing conditions throughout the main summer grain production areas have been poor, with almost no rain falling until the middle of January this year. Reports indicate that although the drought has been broken the situation remains grave.

UNIVERSITY OF CAPE TOWN

(with which is incorporated the South African College)

SCHOOL OF ECONOMICS,
 Division of Research,
 Beattie Building,
 Rondebosch 7700
 Telephone 69-8531, Ext. 440.

Southern Africa Labour and Development Research Unit - Report on the

Demand for African Technicians

1. Name of firm -----

Postal address -----

Person interviewed -----

Job title -----

Telephone -----

2. What is your total employment of: Whites -----

Coloureds & Asians -----

Africans -----

3. How many Africans holding qualifications in the following fields

fully equivalent to a) the National Diploma for Technicians or

National Diploma and b) the National Certificate for Technicians

or National Certificate would you employ were they i) immediately

available ii) available in 1981 assuming full economic recovery?

a) National Diploma for Technicians or National Diploma in:

i) immediately available

ii) available in 1981

assuming full economic

recovery

Africans you would employ if

Electrical Engineering

(Heavy Current)

Electrical Engineering

(Light Current)

Industrial Instrumentation

Telecommunication

TV and Electronics

Mechanical Engineering

Automotive Engineering

Production Engineering

Refrigeration and Aircondition-

ing

1. Electrical Engineering

2. Electrical Engineering

3. Industrial Instrumentation

4. Telecommunication

5. TV and Electronics

6. Mechanical Engineering

7. Automotive Engineering

8. Production Engineering

9. Refrigeration and Aircondition-

ing

10. The two maize-carrying

ships in the roadstead are

to take on cargoes of

yellow maize.

The Aegis Pilot was

loading yellow maize for

overseas yesterday. At S

berth was the Panaghis

Vergottis which will also

load yellow maize. The

Areti S which is at G berth

is here to take on a cargo

of wheat.

11. The two maize-carrying

ships in the roadstead are

to take on cargoes of

yellow maize.

12. The Aegis Pilot was

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13. The two maize-carrying

ships in the roadstead are

to take on cargoes of

yellow maize.

14. The Aegis Pilot was

loading yellow maize for

overseas yesterday. At S

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Vergottis which will also

load yellow maize. The

Areti S which is at G berth

is here to take on a cargo

of wheat.

15. The two maize-carrying

ships in the roadstead are

to take on cargoes of

yellow maize.

Maize bustle in port

EAST LONDON — Maize ships are keeping East London harbour busy, with one ship loading yellow maize, two others in port waiting to load, and two in the roadstead awaiting berths.

The Aegis Pilot was loading yellow maize for overseas yesterday. At S berth was the Panaghis Vergottis which will also load yellow maize. The Areti S which is at G berth is here to take on a cargo of wheat.

The two maize-carrying ships in the roadstead are to take on cargoes of yellow maize.

1. Electrical Engineering

2. Electrical Engineering (Heavy Current)

3. Electrical Engineering (Light Current)

4. Industrial Instrumentation

5. Telecommunication

6. TV and Electronics

7. Mechanical Engineering

8. Automotive Engineering

9. Production Engineering

10. Refrigeration and Aircondition-

ing

11. The two maize-carrying

ships in the roadstead are

to take on cargoes of

yellow maize.

12. The Aegis Pilot was

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berth was the Panaghis

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Areti S which is at G berth

is here to take on a cargo

of wheat.

13. The two maize-carrying

ships in the roadstead are

to take on cargoes of yellow maize.

(244)
Maize
price
hike
3 maize
DD
9/3/79

PRETORIA — The maize price is almost certain to be raised above R90 a ton next month, according to agricultural authorities in Pretoria.

The higher maize price will be the first of the basic food prices to be raised this year.

Dairy products, including fresh milk, are expected to follow, and later the prices of bread and the floor price of meat will also go up.

Farmers have had to contend this year with blanket cost rises — fuel, fertilisers, seed, implements, vehicles and labour — ranging between 10 and 15 per cent.

The current gross producer's price is R84 a ton.

Most producers have lost at least a third of their crop because of drought, which will also be taken into account when the price is fixed next month.

The South African Maize Specialist Organisation will submit its price recommendations to the Maize Board on March 20.

—DDC

Rise in price of maize expected

Pretoria Bureau
THE PRICE of maize is almost certain to be raised to more than R90 a ton next month, according to agricultural authorities in Pretoria.

The higher maize price will be the first of the basic food prices to be raised this year.

Dairy products, including fresh milk, are expected to follow, with the prices of bread and the floor price of meat also going up later.

Farmers, it is pointed out, have had to contend this year

with blanket cost rises — fuel, fertilisers, seed, implements, vehicles, and labour — ranging between 10 and 15 %.

Although no official estimate of the crop has so far been made it is expected to yield about 7 000 000 tons. Last season's crop was the second biggest on record — just short of 10-million tons.

The Minister of Agriculture, Mr Hendrik Schoeman, has stressed that South Africa's food producing potential is a powerful strategic consider-

ation, and that farmers must be kept on the land.

To achieve this they must be amply rewarded, the Minister said.

In anticipation of a smaller crop this year the Maize Board has slowed down its export programme. The carry-over into the new season is now estimated at about 2 150 000 tons, of which 900 000 tons will be held in reserve.

Local consumption of maize accounts for about 6 500 000 tons.

Ref

published a biography of Nerva in Italian).

R. Syme Tacitus Oxford, 1958, esp. vol. 1, chaps 1 and 2

Lewis and Reinhold Roman civilization. Sourcebook 2 New York, 1966 pp. 98-100 and see index.

Extracts from the sources:

A. Non-literary

1. An inscription from Rome, dated 18th September, 96.
THE SENATE AND PEOPLE OF ROME DEDICATED THIS TO LIBERTAS WHICH WAS RESTORED BY THE EMPEROR NERVA CAESAR AUGUSTUS ON THE 18th SEPTEMBER IN THE 848th YEAR AFTER THE FOUNDATION OF THE CITY. (Smallwood Documents Nerva ... no. 27a)
2. A gold coin minted in Rome in 96.
Obverse: Head of Nerva, with the legend Imperator Nerva Caesar Augustus, Pontifex Maximus, holder of tribunician power, consul for the second time, Father of the Fatherland.
(Smallwood Documents ... no. 27b)
Reverse: Figure of Libertas, with legend LIBERTAS.
3. Gold coin minted in Rome, A.D. 96.
Obverse: as above
Reverse: clasped hands, with the legend CONCORD OF THE ARMIES
(Brit. Mus. Cat. R. Emp. iii, Pl. 1, no. 2)
4. A sestertius minted in Rome, 96.
Obverse: Head of Nerva with legend as above.
Reverse: palm tree; THE ABOLITION OF THE INSULT OF THE JEWISH TAX TREASURY

B. Literary

5. Suetonius Domitian 23: the people received the news of Domitian's death with indifference, the troops took it very hard and immediately tried to hail him The Deified, and they were even prepared to avenge his death, had they not lacked leaders ...
6. Pliny Panegyric 6:
That was a mighty disgrace that was stamped on the era, a mighty wound on the Republic: the emperor and father of the human race was besieged, caught, shut in; this very gentle old man was stripped of the power to avert bloodshed; the prime blessing of the principate, unassailability, had been snatched away from the emperor. However, if this was the only reason that brought you to the helm of the state's preservation, I am close to exclaiming that that was enough. Discipline in the army was undermined, so that you might emerge to put it right; a very bad

Hefty rise in maize price, says Minister

Star 12/4/79. (3) maize

Own Correspondent
The price of maize could rise by up to 20 percent this year, the Minister of Agriculture said today.

Speaking from Cape Town, Mr Schoeman said a 20 percent rise would bring the maize price to R96 a ton.

Mr Schoeman said an official announcement would be made towards the end of the month. The Maize Board is to meet next week to discuss a price rise and an announcement could be expected in the following week

Mr Schoeman said there was a R50-million subsidy set aside for handling and storage costs which would be used to lessen the impact of the price rise on consumers.

NEEDED

The president of the South African Maize Speciality Organisation, Mr Faan Basson, said today an increase would be needed to cover the costs of production and to compensate for the lower maize harvest expected this year.

"The final estimate is due next week but it is likely to be lower than the last estimate of between six and seven million tons.

"This will have an effect on the price rise as farmers must get an increase to cover their production costs which remain the same, irrespective of the size of the harvest.

"The poor harvest will reduce farmers' incomes and this in turn will have an effect on next year's harvest," Mr Basson said.

This paper examines the origins and economic impact of recruitment of contract labour for the South African gold mines from Rhodesia. It makes special reference to the changing labour situation and political economy of Southern Africa. It also attempts to analyse these changes in the context of a theory of the international division of labour reserves.

Recruitment in Rhodesia has been conducted through the Witwatersrand Native Labour Association (Wenela) the labour supplying bureau of the Chamber of Mines (S.A.) concerned with recruitment from 'Tropical Areas' and from Mozambique South of Latitude 22° S. Recruitment began in December, 1974, following the various heightened labour supply crises on the mines in South Africa in the post-1973 period.

Formal contract recruitment from Rhodesia since then has differed from such relationships which have existed with South Africa in the case of other peripheral supplier states and areas within the Republic. The principal differentiating features are twofold: (1) Rhodesia has typically been a 'labour importer' of both 'free flow' and contract workers - although a 'clandestine labour' exodus has existed in respect of both Rhodesian Africans and other foreign workers in the fisher wage zones.

mm 12/1/79

S.A. 'able to feed growing numbers'

STELLENBOSCH - South Africa would not be short of food in the near future as production was greater than consumption, Professor E. W. Laubscher, head of the department of agronomy at Stellenbosch University, said here.

He said maize exports had increased by more than 700 percent in the past two decades.

This could be largely attributed to higher yield per hectare rather than increased surface production.

Higher yields, ranging from 107 percent in the Transvaal to 130 percent in the Free State were desirable.

Drought

In spite of sporadic shortages which might occur this year because of drought, it was expected that the 1980 maize ooskot would be so high that other crops could be grown on some ground normally used for maize.

Maize was being cultivated on about half the available adaptable ground in the Republic.

Higher production had placed South Africa in a position to feed its growing population.

Population

With the growth of the population to 49 million South Africa should still be able to break even with a key food variety like wheat.

By 2 000 South Africa would probably be able to export fruit and maize but would still have to import rice, tea, coffee, cocoa and unprocessed rubber.

In other agricultural products it would be self-sufficient. (Sapa.)

Important long-term structural implications for the character of development of the Rhodesia economy.

1. HISTORICAL PERSPECTIVE: FROM THE PROCESS OF INFORMAL 'CLANDESTINE LABOUR' EXODUS TO THE INSTALLATION OF A FORMAL CONTRACT LABOUR SYSTEM FOR SOUTH AFRICAN MINES.

Rhodesia has constituted a 'peripheral centre' in the sub-continental economic system in Southern Africa. The implantation and development of a colonial economic system both created the need for, and depended upon

31/ A.M.S. Schumann, Mine Labour: The Fast Changing Scene, Mining Survey, 76, April 1975.

32/ *ibid.*

33/ For an analysis of these aspects in Rhodesia see D.G. Clarke, African Mineworkers and Conditions of Labour in the Mining Industry in Postwar Rhodesia, Rhodesian Journal of Economics, 8, 4, December, 1974.

34/ For some details on this research programme see [Financial] Mail, 17.10.74.

35/ For an exposition on the implications of polyvalency in labour policy see Ernest Feder, The Rape of the Peasantry, New York, 1971. In terms of diagnosis of wage policy in Southern Africa generally, it is this writer's contention that much too little attention has been given to this aspect of labour cost minimisation and its effects on dependents.

36/ It is reported that of the 79 000 black miners recruited for the mines from South Africa about 85 percent have come from the Transkei. See [Financial] Mail, 7.1.78.

37/ [Financial] Mail, 4.4.75. For details on contemporary farm labour conditions see Merle Lipton, White Farming: A Case Study of Change in South Africa, Journal of Commonwealth and Comparative Politics, 11, 1, March 1974.

38/ It would be wrong however, to attribute these wage increases wholly to the effect of competition. As in Rhodesia, on the estates of Ltd. (a subsidiary of Hulets Corporation of South Africa), farm wage increases have signified partly a transition to more stable labour conditions in the Rhodesian economy.

42/ Here see A.M. Hawkins, How Much African Unemployment? Rhodesian Journal of Economics, 6, 3, September 1972; African Unemployment in Rhodesia, in, Rhodesia Science News, 8, 7, July 1974.

43/ Standard Bank, Economic Bulletin - Rhodesia, September 1975.

44/ Based on reported redundancies of approximately 4 000 by February 1976 and evidence of short-time working in manufacturing.

45/ See Rhodesia, National Accounts, *op.cit.*

46/

Worst drought in years cuts maize crop

3/12/79

③ maize

Pretoria Bureau

It has been a long and dry summer for most farmers in the Transvaal, with an estimated 40 to 45 percent drop in the maize crop compared with last year.

But even now that the farmers are harvesting their maize their troubles are not yet over—they still have the dry winter months to contend with.

Mr P H Swart, deputy director of the South African Agricultural Union, described the drought as "very bad, one of the worst we have had in some areas for a long time."

He said the maize crop of the Eastern Transvaal highveld was very poor and that in the Western Transvaal was "a little better, but still very bad."

WINTER CROPS

Mr Swart said: "The drought has been extensive in the whole summer rainfall area. Grazing has been badly hit and will have to be supplemented."

He said rain could no longer help the maize crop but was still needed for the winter crops.

Because of an increase in costs it was inevitable that the price of maize would rise, he said.

Dr J D Slabbert, director of agricultural technical services for the highveld region, said the maize crop would be an estimated 55 to 60 percent of what it was last year.

He said there had been little rain over the region in the past two months and maize production could drop as low as 35 percent in some areas.

In a bulletin released in

Pretoria the Department of Water Affairs has announced that the total capacity of dams throughout South Africa had dropped by 20 percent from last year to 67 percent full.

The Eastern Transvaal was the worst affected area in the Highveld, dropping from 96 percent capacity last year to 53 percent this year.

Dams on the Vaal River

fell by 16 percent to 66 percent, but the lowest capacity in the country was 29 percent in the Western Cape.

But the drought did have a light moment when a "morals committee" said the lack of rain was caused by a nudist colony.

To show their good faith members of the colony put on their clothes—and the heavens opened up and rain came down.

Maize price hike blow to poor says PFP

3 (maize)
20/4/79. AS

CAPE TOWN — A 21 per cent maize price increase announced here yesterday by the Minister of Agriculture, Mr Schoeman, could send a rippling wave of price increases across the consumer market.

This fear was expressed yesterday by spokesmen of the official opposition shortly after Mr Schoeman announced the maize price for the 1979/80 marketing season would rise immediately from R84 to R102 a ton.

Progressive Federal Party consumerism spokesman Rupert Lorimer and the party's agricultural spokesman, Mr P. A. Myburgh, said the "unbelievably" high increase came as a stunning blow to South Africa.

Mr Schoeman said the increase was the result of rising production costs. A R2 a-ton levy would be deducted from the gross producer's price to strengthen the Maize Board's stabilisation fund.

Maize farmers will get R100 a ton while the Maize Board's selling price will rise from R83,10 to R102 a ton.

But because of the price differences between grades, the producer's price and the Maize Board's selling price for the best grades of white maize would rise 150 a ton

more than those of yellow maize, Mr Schoeman said.

Mr Lorimer and Mr Myburgh said although they sympathised with maize farmers who had to face rising production costs over which they had no control, the extent of the increase was totally unreasonable in the present economic circumstances.

"The poor, for whom maize constitutes the staple food, cannot afford to pay more for food", they said and urged the government to take urgent action to keep the price of food within

reasonable limits, if necessary by introducing a consumer subsidy.

"Dairy, meat and poultry farmers, South Africa's biggest maize consumers, now find themselves in an impossible situation.

"While maize farmers have the full protection of the government, which sets their selling price, farmers who use maize as feed are now faced with a massive 21,5 per cent increase which they cannot simply pass on to consumers", they said. — PS.

Increase in maize prices announced

(3) maize c.t. 20/479

THE Minister of Agriculture, Mr Hendrik Schoeman, yesterday announced increases in maize prices for the new marketing season.

The price for the best grades of maize will be increased from R84 to R102 a ton.

The increase was mainly due to rising production costs.

A levy of R2 a ton will be deducted by way of levies which will be used mainly for strengthening the Maize Board's stabilization fund.

Provision has been made to extend the Western Cape aid programme to allow grain and stock farmers to buy from their co-operatives necessary production means and stock feed for the 1979/80 season, Mr Schoeman said.

If necessary this debt could also be repaid over four years.

This move extends the relief programme introduced in August 1978 after the severe droughts which crippled many Western Province farmers.

In view of the widespread drought in the Transvaal and Free State, the government had extended the aid programme to these regions on the same basis as the Western Cape and Sapa

Consumers up in arms over new maize price rise

Star 20/4/79.
③ maize

Staff Reporters

There was uproar among consumer spokesmen, labour leaders and politicians today as a "stunning" 22 percent rise in the maize price coincided with news of a major spurt on living costs.

The latest figures of the Department of Statistics show that the Consumer Price Index rose by 1,7 percent in March — the equivalent of about 20 percent over a full year.

This put the rise in the cost of living over the year from March 1978 on 12,6 percent.

The food price index alone reflects a 14,3 percent increase for the year ended in March.

An angry Mrs Joy Hurwitz, president of the Housewives' League, sent a message asking the Minister to rethink the maize price increases.

Mr P D van der Dissen, assistant general manager of the South African Maize Producers' Institute said the increase was encouraging and definitely a move in the right direc-

tion.

"This will push up the prices of all other agricultural foods," she said.

"Unemployed blacks in particular will suffer.

A producer spokesman said the maize prices had increased by 75 percent since 1974/5.

By comparison, railway workers' wages increased by only 27 percent during that period.

Maize farmers will now receive R100 per ton of maize compared with R82 before the price increase.

Mr Harry Schwarz, Opposition spokesman on finance, said in a statement today that the increased maize price could not be afforded by the lower income groups.

He called for a subsidy which would keep prices from rising, but which also allows farmers to receive an increase to cover rising costs.

He pointed out, however, that production costs and prices of farming machinery had more than doubled in the correspond-

ing period. Mr van der Dissen said the new price increase brought little relief for farmers who already carry the burden of increasing debts.

Mrs Betty Herzel, chairman of the Consumer Union, said while the cost of living had gone up by little more than 10 percent, maize farmers were getting a 25 per cent increase.

"The effect on the consumer will be frightening. Farmers must also pull in their belts," she said.

The Consumer Council has questioned whether it is justifiable to pass on the 22 percent rise in the maize price to consumers "in a single massive price rise."

3 maize 21/4/79 DD

Maize hike will ripple — lecturer

EAST LONDON — The 21 per cent leap in the price of maize this week was something people had to live with in a controlled economy, a Rhodes University academic said yesterday.

Mr Geoff Antrobus, a lecturer in agricultural economics, said controlling prices of commodities prevented them from rising slowly as they would in an open market.

Mr Antrobus said the consumers most directly affected by the maize hike would be urban blacks.

But the rise would also have a ripple effect on other commodities as farmers used maize extensively for feeding and fattening.

For poultry and pig farmers, feed constituted 80 per cent of their total costs. Of this feed, the bulk was maize.

Feeding costs for these farmers would go up enormously, said Mr Antrobus.

Dairy and beef farmers — who relied on maize for fattening — would have to cut down on feed and use more and more pasture crops.

The maize price leap has "astounded" labour leaders and others aware of the growing distress among the country's poor.

It means, according to the Director of the South African Institute of Race Relations, Mr Fred van Wyk, that the already

large percentage of township families living on or below the breadline will be dramatically increased.

Mr Van Wyk said he supported the Trade Union Council of South Africa and the financial spokesman of the Progressive Federal Party, Mr Harry Schwarz, in the appeal to the government to subsidise the increase and leave the price of mealie meal at its present level.

The Minister of Agriculture, Mr Hendrik Schoeman, said on Thursday night the price of dairy products would rise in May or June. Milk could rise between two and three cents a litre.

The South African Consumer Council said in a press release yesterday it was not justifiable to pass on, in a single massive price rise, to consumers, cost arrears which had built up over a five-year period, merely because the maize crop was expected to be low.

An appeal is to be made to Mr Schoeman by the New Republic Party to introduce a subsidy for farmers who buy maize for production purposes.

Mr W. M. Sutton, NRP spokesman on agriculture, said yesterday he had asked for an interview with Mr Schoeman to find ways of easing the impact of the maize price increase on farmers. — DDR-DDC-PS.

Maize hike — 'you're lucky it's not higher'

NM 21/4/79

3-MAR 3E

Agricultural Correspondent

CONSUMERS were "fortunate" the 21 percent increase in the maize price was not higher, the deputy director of the South African Agricultural Union, Mr. P. H. Swart, said yesterday.

Commenting on the decision of the Minister of Agriculture, Mr. Hendrik Schoeman, to increase the maize price from R84 to R102 a ton Mr. Swart said consumers should bear in mind that some farmers had gone through the worst drought in 30 years.

"This coupled with massive increases in production costs has made the financial position of many farmers critical," he said.

Mr. Swart said if South Africa were to import maize it would cost the country at least R150 a ton.

He gave as examples the following percentage increases in farmers' costs over the past few years: Fuel 173 percent, fertilizer 119 percent, tractors 137 percent and wages 66 percent.

Mr. H. F. B. Hickley, general manager of the Maize Board, said the maize harvest this season was expected to be down by at least 40 percent on last year's crop.

"It could be even worse," he said.

Mr. Hickley said South African mealie meal was the cheapest in the world.

Ingredient

Because maize is the major ingredient of animal and poultry feeds consumers can expect the price of eggs, milk and broiler chickens to increase in the not too distant future.

Milk is expected to rise by 4c a litre and eggs by 5c to 7c a dozen.

From Monday the price of Rainbow frozen chickens will go up by 5c a kilogram and by the end of next month could be as high as R1.20 a kilogram.

Concessions

Senator Warwick Webber, leader of the NRP in Natal, last night slammed the Government for increasing the maize price and demanded immediate concessions to ease the lot of thousands of suffering people.

He said the blame for the increase had to be laid on the Government because it

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③ Maize

DEPARTMENT OF AGRICULTURAL
ECONOMICS AND MARKETING

No. R. 867

27 April 1979

PRODUCERS' PRICES OF MAIZE IN AREA A

1. It is hereby generally made known that the prices of maize of the grades published by Government Notice R. 121 of 4 February 1972, as amended, sold by producers in Area A from 1 May 1979, have been fixed as set out in Table 1 below for quantities of 70 kg net mass or more if the maize is delivered in grain bags or in bulk by producers and as set out in Table 2 for quantities of less than 70 kg net mass, as the case may be.

TABLE 1

Gross prices of maize for quantities of 70 kg net mass or more if the maize is delivered in grain bags or in bulk by producers:

Grade	Price of maize delivered in bags and in bulk if the mass of the maize has been measured by the buyer before it has been cleaned	Price of maize in bulk if the mass of the maize has been measured by the buyer after it has been cleaned
	R per ton	R per ton
WM1....	102,15	102,60
WM2....	100,85	101,30
WM3....	98,75	99,20
YM1....	102,00	102,45
YM2....	101,45	101,90
YM3....	100,55	101,00

TABLE 2

Net prices of maize delivered in quantities of less than 70 kg net mass:

Grade	Cents per 5 kg
WM1.....	49
WM2.....	49
WM3.....	48
YM1.....	49
YM2.....	49
YM3.....	48

2. The prices shown in the second column of Table 1 shall, in the case of maize delivered in bags of not less than 65 kg gross mass per bag—

(1) be increased by 72c for each bag which is a new or good second-hand grain bag; and

(2) if the gross mass per grain bag with maize exceeds 75 kg, be calculated as if only 75 kg gross mass per bag has been delivered.

DEPARTEMENT VAN LANDBOU-
EKONOMIE EN -BEMARKING

No. R. 867

27 April 1979

PRODUSENTEPRYSE VAN MIELIES IN
GEBIED A

1. Hierby word vir algemene inligting bekendgemaak dat die pryse van mielies van die grade afgekondig by Goewermentskennisgewing R. 121 van 4 Februarie 1972, soos gewysig, wat produsente in Gebied A van 1 Mei 1979 af verkoop, vasgestel is soos in Tabel 1 hieronder uiteengesit vir hoeveelhede van 70 kg netto massa of meer indien die mielies in graansakke of in losmaat deur produsente gelewer word en soos in Tabel 2 uiteengesit vir hoeveelhede van minder as 70 kg netto massa, na gelang van die geval.

TABEL 1

Bruto pryse van mielies vir hoeveelhede van 70 kg netto massa of meer indien die mielies in graansakke of in losmaat deur produsente gelewer word:

Graad	Pryse vir mielies gelewer in sakke en in losmaat indien die koper die massa gemeet het voordat die mielies skoongemaak is	Pryse vir mielies in losmaat indien die koper die massa gemeet het nadat die mielies skoongemaak is
	R per ton	R per ton
WM1....	102,15	102,60
WM2....	100,85	101,30
WM3....	98,75	99,20
YM1....	102,00	102,45
YM2....	101,45	101,90
YM3....	100,55	101,00

TABEL 2

Netto pryse van mielies gelewer in kleiner hoeveelhede as 70 kg netto massa:

Graad	Sent per 5 kg
WM1.....	49
WM2.....	49
WM3.....	48
YM1.....	49
YM2.....	49
YM3.....	48

2. Die pryse in die tweede kolom van Tabel 1 genoem, moet in die geval van mielies in sakke met 'n bruto massa van minstens 65 kg per sak gelewer—

(1) vermeerder word met 72c vir elke nuwe of goeie tweedehandse graansak; en

(2) indien die bruto massa per graansak met mielies meer as 75 kg is, bereken word asof slegs 75 kg bruto massa per sak gelewer is.

GG6412

3. The prices shown in Table 2 do not include the value of the container, and if the maize is delivered in a container, the price of the container shall be determined by mutual agreement between the producer and the buyer.

4. In calculating the price payable in accordance with paragraph 1 any fraction of a cent, if less than a half-cent, may be regarded as a half-cent, and if more than a half-cent, as a cent.

5. The prices for the respective grades of maize mentioned in paragraph 1 shall apply for maize delivered—

(1) at the premises of the buyer or any premises indicated by the buyer if such premises are not situated more than eight km from the nearest raiiling point and shall in the case of maize delivered at premises more than eight km from the nearest raiiling point to the relevant premises be reduced by the cost of transport at the rate fixed by the Board for the relevant premises; and

(2) at any raiiling point indicated by the buyer for despatch by rail to a destination other than the buyer's premises.

By Order of the Maize Board.

H. F. B. HICKLEY, General Manager.

No. R. 868

27 April 1979

**PRODUCER'S PRICES OF MAIZE IN
AREA B**

In terms of section 79 (b) of the Marketing Act, 1968 (Act 59 of 1968), I, Hendrik Stephanus Johan Schoeman, Minister of Agriculture, hereby make known that the Maize Board, referred to in section 6 of the Summer Grain Scheme, published by Proclamation R. 45 of 1979, has in terms of section 37 of that Scheme, with my approval, fixed the prices set out in the Schedule hereto in substitution for the prices published by Government Notice R. 875 of 28 April 1978.

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

SCHEDULE

1. In this notice, unless inconsistent with the context, any word or expression to which a meaning has been assigned in the Summer Grain Scheme, published by Proclamation R. 45 of 1979, shall have a corresponding meaning, and—

“Area B” means the area comprising the Magisterial Districts of Alexandria, Aliwal North, East London, Kimberley, King William's Town, Kuruman, Maclear, Port Elizabeth, Queenstown and Uitenhage in the Cape Province, those portions of the Magisterial Districts of Gordonia, Hay, Kenhardt and Prieska in the Cape Province, situated in a strip 48 km north and 48 km south of the Orange River between Boegoeberg Dam and a point on the Orange River directly north of Noudonsies, and the Magisterial Districts of Camperdown, Durban, Hlabisa, Ixopo, Lions River, Mook River, Mount Currie, Msinga, New Hanover, Nqutu, Pietermaritzburg, Pinetown and Port Shepstone in the Province of Natal;

“grade” or “class” in relation to maize means a grade or class as defined in regulations 3, 4 and 5 of the regulations published by Government Notice R. 121 of 4 February 1972, as amended;

3. Die pryse genoem in Tabel 2 sluit nie die waarde van die houers in nie, en indien die mielies in 'n houer gelever word, moet die produsent en die koper deur onderlinge ooreenkoms die prys van die houer bepaal.

4. By die berckening van die prys betaalbaar ooreenkomstig paragraaf 1 mag enige breuk van 'n sent indien minder as 'n half-sent, as 'n half-sent, en indien meer as 'n halfsent, as 'n sent beskou word.

5. Die pryse vir die onderskeie grade mielies genoem in paragraaf 1 geld vir mielies gelever—

(1) op die perseel van die koper of enige perseel deur die koper aangedui mits sodanige perseel nie verder as agt km van die koper se naaste versporingspunt geleë is nie en moet in die geval van mielies gelever op enige perseel verder as agt km van die naaste versporingspunt aan die betrokke perseel, verminder word met vervoerkoste teen die tarief vir die betrokke perseel deur die Raad vasgestel; en

(2) by enige versporingspunt deur die koper aangedui vir versporing na 'n ander bestemming as die koper se perseel.

Op las van die Mielieraad.

H. F. B. HICKLEY, Hoofbestuurder.

No. R. 868

27 April 1979

**PRODUSENTEPRYSE VAN MIELIES IN
GEBIED B**

Kragtens artikel 79 (b) van die Bemarkingswet, 1968 (Wet 59 van 1968), maak ek, Hendrik Stephanus Johan Schoeman, Minister van Landbou, hierby bekend dat die Mielieraad, genoem in artikel 6 van die Somergraanskema, afgekondig by Proklamasie R. 45 van 1979, kragtens artikel 37 van daardie Skema, met my goedkeuring, die pryse in die Bylae hiervan uiteengesit, vasgestel het ter vervanging van die pryse, afgekondig by Goewermentskennisgewing R. 875 van 28 April 1978.

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

BYLAE

1. In hierdie kennisgewing, tensy uit die samehang anders blyk, het 'n woord of uitdrukking waaraan in die Somergraanskema, afgekondig by Proklamasie R. 45 van 1979, 'n betekenis geheg is, 'n ooreenstemmende betekenis en beteken—

“Gebied B” die gebied bestaande uit die landdrosdistrikte Alexandria, Aliwal-Noord, Kimberley, King William's Town, Kuruman, Maclear, Oos-Londen, Port Elizabeth, Queenstown en Uitenhage in die Kaapprovinsie, die gedeeltes van die landdrosdistrikte Gordonia, Hay, Kenhardt en Prieska in die Kaapprovinsie wat binne 'n strook van 48 km noord en 48 km suid van die Oranjerivier tussen Boegoeberedam en 'n punt op die Oranjerivier reg noord van Noudonsies lê, en die landdrosdistrikte Camperdown, Durban, Hlabisa, Ixopo, Lions River, Mookrivier, Mount Currie, Msinga, New Hanover, Nqutu, Pietermaritzburg, Pinetown en Port Shepstone in die provinsie Natal;

“graad” of “klas” met betrekking tot mielies, 'n graad of klas soos omskryf in regulasies 3, 4 en 5 van die regulasies afgekondig by Goewermentskennisgewing R. 121 van 4 Februarie 1972, soos gewysig;

"grain bags" means bags as defined in regulation 7 of the regulations published by Government Notice R. 121 of 4 February 1972, as amended;

"in bulk" means other than in grain bags;

"net mass" in relation to maize, means the mass of the maize less—

(a) in the case of maize of which the moisture content (at the time of measuring the mass of the maize) exceeds 12.5 per cent by mass, the mass of the moisture in excess of 12.5 per cent; and

(b) in the case of maize of which the mass was measured in grain bags and the mass of the bags is included in the mass of the maize, 1 kg for each grain bag;

Provided that maize in grain bags shall have a mass of not less than 65 kg per bag, including the mass of the bags, and maize of which the mass, including the mass of the bags, exceeds 75 kg per bag, shall, for the purposes of calculating the net mass of such maize in terms of paragraphs (a) and (b) be deemed to have a mass of 75 kg per bag;

"railing point" means any railway station or siding, including a private siding to which a train service is conducted by the South African Railways and Harbours.

2. No producer of maize in Area B shall sell—

(a) maize in quantities of 70 kg net mass or more if the maize is delivered in grain bags or in bulk—

(i) of one or other of the classes and grades mentioned in the table below at a price less than the price specified in column 1 of that table for maize of the class and grade if the mass of such maize has been measured by the buyer without it having been cleaned. Provided that the price of maize delivered in grain bags shall be increased by 72c for each bag which is a new or good second-hand grain bag and if it is not a new or good second-hand grain bag, the buyer and the producer may determine the price of the container by mutual agreement;

(ii) of one or other of the classes and grades of maize mentioned in the table below at a price less than the price specified in column 2 of that table for maize of that class and grade if such maize is delivered in bulk and the mass of the maize is measured by the buyer after it has been cleaned, in which case the screenings shall remain the property of the producer.

TABLE

Grade and class	Column 1	Column 2
	Rand per ton net mass	Rand per ton net mass
WM1	102,15	102,60
WM2	100,85	101,30
WM3	98,75	99,20
YM1	102,00	102,45
YM2	101,45	101,90
YM3	100,55	101,00

(b) maize to which the prices fixed in paragraph (a) do not apply (i.e. maize in quantities of less than 70 kg net mass)—

(i) at a price less than 49c per 5 kg net mass if such maize is of the Classes and Grades WM1, WM2, YM1 and YM2; and

"graansakke" sakke soos omskryf in regulasie 7 van die regulasies afgekondig by Goewermentskennisgewing R. 121 van 4 Februarie 1972, soos gewysig;

"losmaat" anders as in graansakke;

"netto massa" met betrekking tot mielies, die massa van die mielies min—

(a) in die geval van mielies waarvan die voginhoud (op die tydstip waarop die mielies se massa gemeet is) hoër as 12,5 persent volgens massa is, die massa van die vog bo 12,5 persent; en

(b) in die geval van mielies waarvan die massa in graansakke gemeet is en die massa van die sakke by die massa van die mielies ingesluit is, 1 kg vir elke graansak;

Met dien verstande dat mielies in graansakke 'n massa van minstens 65 kg per sak moet hê met inbegrip van die massa van die sakke en dat mielies, waarvan die massa, met inbegrip van die massa van die sakke 75 kg per sak oorskry, vir die doeleindes van berekening van die netto massa van sodanige mielies ingevolge paragrawe (a) en (b) geag word 'n massa van 75 kg per sak te hê;

"versporingspunt" enige spoorwegstasie of -halte, met inbegrip van 'n private sylyn, waarheen 'n treindiens deur die Suid-Afrikaanse Spoorweë en Hawens ingestel is.

2. Geen produsent van mielies in Gebied B mag—

(a) mielies in hoeveelhede van 70 kg netto massa of meer, indien die mielies in graansakke of in losmaat gelever word—

(i) van die een of ander van die klasse en grade mielies in onderstaande tabel genoem, teen 'n laer prys as die prys in kolom 1 van daardie tabel genoem vir mielies van daardie klas en graad verkoop nie, indien die massa van sodanige mielies deur die koper gemeet is sonder dat dit skoonmaak is: Met dien verstande dat die prys van die mielies in graansakke gelever, vermeerder word met 72c vir elke sak wat 'n nuwe of goeie tweedehandse graansak is en indien dit nie 'n nuwe of goeie tweedehandse graansak is nie, kan die produsent en die koper deur onderlinge ooreenkoms die prys van die houer bepaal;

(ii) van die een of ander van die klasse en grade mielies in onderstaande tabel genoem teen 'n laer prys as die prys in kolom 2 van daardie tabel genoem vir mielies van daardie klas en graad verkoop nie, indien sodanige mielies in losmaat gelever en die massa deur die koper gemeet word nadat dit skoonmaak is, in welke geval die sifself die eiendom van die produsent bly;

TABEL

Graad en klas	Kolom 1	Kolom 2
	Rand per ton netto massa	Rand per ton netto massa
WM1	102,15	102,60
WM2	100,85	101,30
WM3	98,75	99,20
YM1	102,00	102,45
YM2	101,45	101,90
YM3	100,55	101,00

(b) mielies waarop die pryse in paragraaf (a) vasgestel, nie van toepassing is nie (dit wil sê mielies in hoeveelhede van minder as 70 kg netto massa)—

(i) teen 'n laer prys as 49c per 5 kg netto massa, verkoop nie, indien sodanige mielies van die klasse en grade WM1, WM2, YM1 en YM2 is; en

(ii) at a price less than 48c per 5 kg net mass if such maize is of the Classes and Grades WM3 and YM3.

3. The prices fixed in clause 2 (b) shall not include the value of a container, and if the maize is delivered in a container, the producer and buyer may determine the price of the container by mutual agreement.

4. In calculating the price payable in terms of clause 2, any fraction of a cent, if less than a half-cent, may be regarded as a half-cent, and if more than a half-cent, as a cent.

5. The prices for the respective classes and grades of maize fixed in clause 2 shall apply in respect of maize delivered—

(a) at the premises of the buyer; or

(b) in railway trucks at the producer's nearest railing point if the maize is despatched by rail.

6. This notice shall come into operation on 1 May 1979 and repeals Government Notice R. 875 of 28 April 1978 with effect from the same date.

(ii) teen 'n laer prys as 48c per 5 kg netto massa verkoop nie, indien sodanige mielies van die klasse en grade WM3 en YM3 is.

3. Die pryse vasgestel in klousule 2 (b) sluit nie die waarde van 'n houer in nie, en indien die mielies in 'n houer gelever word, kan die produsent en die koper deur onderlinge ooreenkoms die prys van die houer bepaal.

4. By die berekening van die prys betaalbaar ingevolge klousule 2 mag enige breuk van 'n sent, indien minder as 'n halfsent, as 'n halfsent, en indien meer as 'n halfsent, as 'n sent beskou word.

5. Die pryse van die onderskeie klasse en grade mielies vasgestel in klousule 2 geld vir mielies gelever—

(a) by die koper se perseel; of

(b) in spoorwegtrokke by die produsent se naaste versporingspunt indien die mielies per spoor versend word.

6. Hierdie kennisgewing tree in werking op 1 Mei 1979 en herroep Goewermentskennisgewing R. 875 van 28 April 1978 met ingang van dieselfde datum.

No. R. 871

27 April 1979

SPECIAL LEVY ON MAIZE PROCESSED BY MILLERS

In terms of section 79 (a) of the Marketing Act, 1968 (Act 59 of 1968), I, Hendrik Stephanus Johan Schoeman, Minister of Agriculture, hereby make known that the Maize Board, referred to in section 6 of the Summer Grain Scheme, published by Proclamation R. 45 of 1979, has in terms of section 24 of that Scheme, with my approval, imposed the special levy set out in

No. R. 871

27 April 1979

SPEZIALE HEFFING OP MIELIES WAT DEUR MEULENNAARS VERWERK IS

Kragens artikel 79 (a) van die Bemarkingswet, 1968 (Wet 59 van 1968), maak ek, Hendrik Stephanus Johan Schoeman, Minister van Landbou, hierby bekend dat die Mielieraad, genoem in artikel 6 van die Somergraanskema, afgekondig by Proklamasie R. 45 van 1979, kragens artikel 24 van daardie Skema, met my goedkeuring, die spesiale heffing in die Bylae

Geleir

the Schedule hereto, in substitution for the special levy published by Government Notice R. 1384 of 22 July 1977, as amended.

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

SCHEDULE

1. In this notice, unless inconsistent with the context, a word or expression to which a meaning has been assigned in the Summer Grain Scheme, published by Proclamation R. 45 of 1979, shall have a corresponding meaning and—

“commercial miller” means a person, as defined in clause 1 of the requirements published by Government Notice R. 481 of 16 March 1979 who grinds, crushes, grists or otherwise processes maize;

“maize” means the classes of maize defined in regulations 3, 4 and 5 of the regulations published by Government Notice R. 121 of 4 February 1972, as amended, including sample-grade maize;

“manufacturer” means a person, as defined in clause 1 of the requirements published by Government Notice R. 431 of 16 March 1979, who manufactures maize products;

“miller” means a person who deals in the course of trade with maize or maize products and who grinds, crushes, grists or otherwise processes maize in the Republic.

2. A special levy of R3.70 per ton is hereby imposed on the following classes of maize:

- (a) Maize processed by a miller for his own account;
- (b) maize processed by a miller on behalf of another person.

3. The special levy mentioned in clause 2 shall not be payable on—

(a) maize processed for a producer of maize produced by him or on his behalf and in respect of which it is proved to the satisfaction of the Board that the maize products so obtained are intended to be consumed by himself or members of his household or to be fed to his livestock;

(b) maize which is processed by means of the wet-milling process;

(c) maize which is processed into precooked maize products by manufacturers other than commercial millers;

(d) maize which is processed into maize malt.

4. This notice shall come into operation on 1 May 1979 and repeals Government Notice R. 1384 of 22 July 1977, as amended by Government Notice R. 1148 of 2 June 1978, with effect from the same date.

No. R. 872

27 April 1979

LEVY AND SPECIAL LEVY ON MAIZE

In terms of section 79 (a) of the Marketing Act, 1968 (Act 59 of 1968), 1, Hendrik Stephanus Johan Schoeman, Minister of Agriculture, hereby make known that the Maize Board, referred to in section 6 of the Summer Grain Scheme, published by Proclamation R. 45 of 1979, has in terms of sections 23 and 24 of that Scheme, with my approval, imposed the levy and special

hierby uiteengesit, opgelê het ter vervanging van die spesiale heffing afgekondig by Goewermentskennisgewing R. 1384 van 22 Julie 1977, soos gewysig.

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

BYLAE

1. In hierdie kennisgewing, tensy uit die samehang anders blyk, het 'n woord of uitdrukking waaraan in die Somergraanskema, afgekondig by Proklamasie R. 45 van 1979, 'n betekenis geheg is, 'n ooreenstemmende betekenis en beteken—

“kommersiële meulenaar”, 'n persoon, soos omskryf in klousule 1 van die voorskrifte afgekondig by Goewermentskennisgewing R. 481 van 16 Maart 1979, wat mielies maal, breek, tot gruis maak of andersins verwerk;

“meulenaar”, 'n persoon wat met mielies of mielieprodukte as 'n besigheid handel en binne die Republiek mielies maal, breek, tot gruis maak of andersins verwerk;

“mielies”, die klasse mielies soos omskryf in regulasies 3, 4 en 5 van die regulasies afgekondig by Goewermentskennisgewing R. 121 van 4 Februarie 1972, soos gewysig, met inbegrip van monstergraadmielies;

“vervaardiger”, 'n persoon, soos omskryf in klousule 1 van die voorskrifte afgekondig by Goewermentskennisgewing R. 481 van 16 Maart 1979 wat mielieprodukte vervaardig.

2. 'n Spesiale heffing van R3.70 per ton word hierop op die volgende klasse mielies gelê:

(a) Mielies wat deur 'n meulenaar vir sy eie rekeerwerk is;

(b) mielies wat deur 'n meulenaar ten behoeve van iemand anders verwerk is.

3. Die spesiale heffing in klousule 2 genoem is betaalbaar nie op—

(a) mielies wat verwerk is vir 'n produsent mielies deur of ten behoeve van hom geproduseer en ten opsigte waarvan dit ten genoë van die R. bewys word dat die mielieprodukte daarvan verkry bestem is om deur homself of lede van sy gesin gebruik of aan sy lewende hawe gevoer te word;

(b) mielies wat deur die natmaalproses vervaardig is;

(c) mielies wat tot klaargaar mielieprodukte verwerk is deur ander vervaardigers as kommersiële meulenaars;

(d) mielies wat tot mielieemout verwerk is.

4. Hierdie kennisgewing tree in werking op 1 Mei 1979 en herroep Goewermentskennisgewing R. 1384 van 22 Julie 1977, soos gewysig deur Goewermentskennisgewing R. 1148 van 2 Junie 1978, met ingang dieselfde datum.

No. R. 872

27 April

HEFFING EN SPESIALE HEFFING OP MIELIE

Kragtens artikel 79 (a) van die Bemerkingswet, 1968 (Wet 59 van 1968), maak ek, Hendrik Stephanus Johan Schoeman, Minister van Landbou, hierby bekend dat die Mielieraad, genoem in artikel 6 van die Somergraanskema, afgekondig by Proklamasie R. 45 van 1979, kragtens artikels 23 en 24 van daardie skema, met my goedkeuring, die heffing en spesiale heffing

levy set out in the Schedule hereto in substitution for the levy and special levy published by Government Notice R. 876 of 28 April 1978.

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

SCHEDULE

1. In this notice, unless inconsistent with the context, a word or expression to which a meaning has been assigned in the Summer Grain Scheme, published by Proclamation R. 45 of 1979, shall have a corresponding meaning, and—

“Area A” means the area comprising the Provinces of Transvaal and the Orange Free State, the Magisterial Districts of Hartswater, Mafeking, Vryburg and Warrenton in the Cape Province, and the Magisterial Districts of Bergville, Dannhauser, Dundee, Estcourt, Glencoe, Klip River, Kranskop, Newcastle, Paulpietersburg, Umvoti, Utrecht, Vryheid and Weenen in the Province of Natal; and

“Area B” means the area comprising the Magisterial Districts of Alexandria, Aliwal North, East London, Kimberley, King William’s Town, Kuruman, Maclear, Port Elizabeth, Queenstown and Uitenhage in the Cape Province, those portions of the Magisterial Districts of Gordonia, Hay, Kenhardt and Prieska in the Cape Province situated in a strip 48 km north and 48 km south of the Orange River between Boegoeberg Dam and a point on the Orange River directly north of Noudonsies, and the Magisterial Districts of Camperdown, Durban, Hlabisa, Ixopo, Lions River, Mooi River, Mount Currie, Msinga, New Hanover, Nqutu, Pietermaritzburg, Pinetown and Port Shepstone in the Province of Natal;

“maize” means the classes of maize as defined in regulations 3, 4 and 5 of the regulations published by Government Notice R. 121 of 4 February 1972, as amended, including sample grade maize.

2. A levy of 25c per ton and a special levy of R1,70 per ton is hereby imposed on all maize including maize intended for seed purposes—

(a) which is sold in Area A or Area B by producers;

(b) which has been produced outside Area A or Area B and is sold in Area A or Area B;

(c) which has been produced in Area A or Area B and is sold outside Area A or Area B; and

(d) which is sold outside Area A or Area B to a person dealing in the course of trade with maize in Area A or Area B: Provided that no levy shall be payable in respect of maize thus sold and which is resold outside Area A or Area B by the purchaser without such maize having been brought into Area A or Area B.

3. This notice shall come into operation on 1 May 1979 and repeals Government Notice R. 876 of 28 April 1978, with effect from the same date.

die Bylae hiervan uiteengesit, opgelê het ter vervanging van die heffing en spesiale heffing afgekondig by Goewermentskennisgewing R. 876 van 28 April 1978.

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

BYLAE

1. In hierdie kennisgewing, tensy uit die samehang anders blyk, het ’n woord of uitdrukking waaraan in die Somergraanskema, afgekondig by Proklamasie R. 45 van 1979, ’n betekenis geheg is, ’n ooreenstemmende betekenis en beteken—

“Gebied A” die gebied bestaande uit die provinsies Transvaal en die Oranje-Vrystaat, die landdrostdistrikte Hartswater, Mafeking, Vryburg en Warrenton in die Kaapprovinsie, en die landdrostdistrikte Bergville, Dannhauser, Dundee, Estcourt, Glencoe, Kliprivier, Kranskop, Newcastle, Paulpietersburg, Umvoti, Utrecht, Vryheid en Weenen in die provinsie Natal; en

“Gebied B” die gebied bestaande uit die landdrostdistrikte Alexandria, Aliwal-Noord, Kimberley, King William’s Town, Kuruman, Maclear, Oos-Londen, Port Elizabeth, Queenstown en Uitenhage in die Kaapprovinsie, die gedeeltes van die landdrostdistrikte Gordonia, Hay, Kenhardt en Prieska in die Kaapprovinsie wat binne ’n strook van 48 km noord en 48 km suid van die Oranjerivier tussen Boegoebergdam en ’n punt op die Oranjerivier reg noord van Noudonsies lê, en die landdrostdistrikte Camperdown, Durban, Hlabisa, Ixopo, Lions River, Mooirivier, Mount Currie, Msinga, New Hanover, Nqutu, Pietermaritzburg, Pinetown en Port Shepstone in die provinsie Natal;

“mielies” die klasse mielies soos omskryf in regulasies 3, 4 en 5 van die regulasies afgekondig by Goewermentskennisgewing R. 121 van 4 Februarie 1972, soos gewysig, met inbegrip van monstergraadmielies.

2. ’n Heffing van 25c per ton en ’n spesiale heffing van R1,70 per ton word hiermee opgelê op alle mielies, met inbegrip van mielies bestem vir saad—

(a) wat in Gebied A of Gebied B deur produsente verkoop word;

(b) wat buite Gebied A of Gebied B geproduseer en in Gebied A of Gebied B verkoop word;

(c) wat in Gebied A of Gebied B geproduseer en buite Gebied A of Gebied B verkoop word; en

(d) wat buite Gebied A of Gebied B verkoop word aan ’n persoon wat in Gebied A of Gebied B met mielies as ’n besigheid handel: Met dien verstande dat geen heffing betaalbaar is nie op mielies wat aldus verkoop is en deur die koper buite Gebied A of Gebied B herverkoop word sonder dat dit in Gebied A of Gebied B ingebring is.

3. Hierdie kennisgewing tree in werking op 1 Mei 1979 en herroep Goewermentskennisgewing R. 876 van 28 April 1978, met ingang van dieselfde datum.



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GOVERNMENT GAZETTE

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(3) Maize

[No. 6422

GOVERNMENT NOTICES

**DEPARTMENT OF AGRICULTURAL
ECONOMICS AND MARKETING**

No. R. 955 27 April 1979

**PRODUCER'S PRICES OF MAIZE IN
AREA B**

In terms of section 79 (b) of the Marketing Act, 1968 (Act 59 of 1968), I, Hendrik Stephanus Johan Schoeman, Minister of Agriculture, hereby make known that the Maize Board, referred to in section 6 of the Summer Grain Scheme, published by Proclamation R. 45 of 1979, has in terms of section 37 of that Scheme, with my approval, fixed the prices set out in the Schedule hereto in substitution for the prices published by Government Notice R. 868 of 27 April 1979.

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

SCHEDULE

1. In this notice, unless inconsistent with the context, any word or expression to which a meaning has been assigned in the Summer Grain Scheme, published by Proclamation R. 45 of 1979, shall have a corresponding meaning, and—

"Area B" means the area comprising the Magisterial Districts of Alexandria, Aliwal North, East London, Kimberley, King William's Town, Kuruman, Maclear, Port Elizabeth, Queenstown and Uitenhage in the Cape Province, those portions of the Magisterial Districts of Gordonia, Hay, Kenhardt and Prieska in the Cape Province, situated in a strip 48 km north and 48 km south of the Orange River between Boegoeberg Dam and a point on the Orange River directly north of Noudonsies, and the Magisterial Districts of Camperdown, Durban, Hlabisa, Ixopo, Lions River, Mooi River, Mount Currie, Msinga, New Hanover, Nqutu, Pietermaritzburg, Pinetown and Port Shepstone in the Province of Natal;

"grade" or "class" in relation to maize means a grade or class as defined in regulations 3, 4 and 5 of the regulations published by Government Notice R. 121 of 4 February 1972, as amended;

GOEWERMENTSKENNISGEWINGS

**DEPARTEMENT VAN LANDBOU-EKONOMIE
EN -BEMARKING**

No. R. 955 27 April 1979

**PRODUSENTEPRYSE VAN MIELIES IN
GEBIED B**

Kragtens artikel 79 (b) van die Bemarkingswet, 1968 (Wet 59 van 1968), maak ek, Hendrik Stephanus Johan Schoeman, Minister van Landbou, hierby bekend dat die Mielieraad, genoem in artikel 6 van die Somergraanskema, afgekondig by Proklamasie R. 45 van 1979, kragtens artikel 37 van daardie Skema, met my goedkeuring, die pryse in die Bylae hiervan uiteengesit, vasgestel het ter vervanging van die pryse, afgekondig by Goewermentskennisgewing R. 868 van 27 April 1979.

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

BYLAE

1. In hierdie kennisgewing, tensy uit die samehang anders blyk, het 'n woord of uitdrukking waaraan in die Somergraanskema, afgekondig by Proklamasie R. 45 van 1979, 'n betekenis geheg is, 'n ooreenstemmende betekenis en beteken—

"Gebied B" die gebied bestaande uit die landdrosdistrikte Alexandria, Aliwal-Noord, Kimberley, King William's Town, Kuruman, Maclear, Oos-Londen, Port Elizabeth, Queenstown en Uitenhage in die Kaapprovinsie, die gedeeltes van die landdrosdistrikte Gordonia, Hay, Kenhardt en Prieska in die Kaapprovinsie wat binne 'n strook van 48 km noord en 48 km suid van die Oranjerivier tussen Boegoebergdam en 'n punt op die Oranjerivier reg noord van Noudonsies lê, en die landdrosdistrikte Camperdown, Durban, Hlabisa, Ixopo, Lions River, Mooirivier, Mount Currie, Msinga, New Hanover, Nqutu, Pietermaritzburg, Pinetown en Port Shepstone in die provinsie Natal;

"graad" of "klas" met betrekking tot mielies, 'n graad of klas soos omskryf in regulasies 3, 4 en 5 van die regulasies afgekondig by Goewermentskennisgewing R. 121 van 4 Februarie 1972, soos gewysig;

"grain bags" means bags as defined in regulation 7 of the regulations published by Government Notice R. 121 of 4 February 1972, as amended;

"in bulk" means other than in grain bags;

"net mass" in relation to maize, means the mass of the maize less—

(a) in the case of maize of which the moisture content (at the time of measuring the mass of the maize) exceeds 12,5 per cent by mass, the mass of the moisture in excess of 12,5 per cent; and

(b) in the case of maize of which the mass was measured in grain bags and the mass of the bags is included in the mass of the maize, 1 kg for each grain bag;

Provided that maize in grain bags shall have a mass of not less than 65 kg per bag, including the mass of the bags, and maize of which the mass, including the mass of the bags, exceeds 75 kg per bag, shall, for the purposes of calculating the net mass of such maize in terms of paragraphs (a) and (b) be deemed to have a mass of 75 kg per bag;

"railing point" means any railway station or siding, including a private siding to which a train service is conducted by the South African Railways and Harbours.

2. No producer of maize in Area B shall sell—

(a) maize in quantities of 70 kg net mass or more if the maize is delivered in grain bags or in bulk—

(i) of one or other of the classes and grades mentioned in the table below at a price less than the price specified in column 1 of that table for maize of the class and grade if the mass of such maize has been measured by the buyer without it having been cleaned: Provided that the price of maize delivered in grain bags shall be increased by 72c for each bag which is a new or good second-hand grain bag and if it is not a new or good second-hand grain bag, the buyer and the producer may determine the price of the container by mutual agreement;

(ii) of one or other of the classes and grades of maize mentioned in the table below at a price less than the price specified in column 2 of that table for maize of that class and grade if such maize is delivered in bulk and the mass of the maize is measured by the buyer after it has been cleaned, in which case the screenings shall remain the property of the producer:

TABLE

Grade and class	Column 1	Column 2
	Rand per ton net mass	Rand per ton net mass
WM1.....	100,20	100,65
WM2.....	98,90	99,35
WM3.....	96,80	97,25
YM1.....	100,05	100,50
YM2.....	97,50	99,95
YM3.....	98,60	99,05

(b) maize to which the prices fixed in paragraph (a) do not apply (i.e. maize in quantities of less than 70 kg net mass)—

(i) at a price less than 49c per 5 kg net mass if such maize is of the Classes and Grades WM1, WM2, YM1 and YM2; and

"graansakke" sakke soos omskryf in regulasie 7 van die regulasies afgekondig by Goewernment-kennisgewing R. 121 van 4 Februarie 1972, soos gewysig;

"losmaat" anders as in graansakke;

"netto massa" met betrekking tot mielies, die massa van die mielies min—

(a) in die geval van mielies waarvan die voginhoud (op die tydstip waarop die mielies se massa gemeet is) hoër as 12,5 persent volgens massa is, die massa van die vog bo 12,5 persent; en

(b) in die geval van mielies waarvan die massa in graansakke gemeet is en die massa van die sakke by die massa van die mielies ingesluit is, 1 kg vir elke graansak;

Met dien verstande dat mielies in graansakke 'n massa van minstens 65 kg per sak moet hê met inbegrip van die massa van die sakke en dat mielies, waarvan die massa, met inbegrip van die massa van die sakke 75 kg per sak oorskry, vir die doeleindes van berekening van die netto massa van sodanige mielies ingevolge paragrafe (a) en (b) geag word 'n massa van 75 kg per sak te hê:

"versporingspunt" enige spoorwegstasie of -halte, met inbegrip van 'n private sylyn, waarheen 'n treindiens deur die Suid-Afrikaanse Spoorweë en Hawens ingestel is.

2. Geen produsent van mielies in Gebied B mag—

(a) mielies in hoeveelhede van 70 kg netto massa of meer, indien die mielies in graansakke of in losmaat gelever word—

(i) van die een of ander van die klasse en grade mielies in onderstaande tabel genoem, teen 'n laer prys as die prys in kolom 1 van daardie tabel genoem vir mielies van daardie klas en graad verkoop nie, indien die massa van sodanige mielies deur die koper gemeet is sonder dat dit skoongemaak is: Met dien verstande dat die prys van die mielies in graansakke gelever, vermeerder word met 72c vir elke sak wat 'n nuwe of goeie tweedehandse graansak is en indien dit nie 'n nuwe of goeie tweedehandse graansak is nie, kan die produsent en die koper deur onderlinge ooreenkoms die prys van die houer bepaal;

(ii) van die een of ander van die klasse en grade mielies in onderstaande tabel genoem teen 'n laer prys as die prys in kolom 2 van daardie tabel genoem vir mielies van daardie klas en graad verkoop nie, indien sodanige mielies in losmaat gelever en die massa deur die koper gemeet word nadat dit skoongemaak is, in welke geval die sifels die eiendom van die produsent bly:

TABEL

Graad en klas	Kolom 1	Kolom 2
	Rand per ton netto massa	Rand per ton netto massa
WM1.....	100,20	100,65
WM2.....	98,90	99,35
WM3.....	96,80	97,25
YM1.....	100,05	100,50
YM2.....	97,50	99,95
YM3.....	98,60	99,05

(b) mielies waarop die pryse in paragraaf (a) vasgestel, nie van toepassing is nie (dit wil sê mielies in hoeveelhede van minder as 70 kg netto massa)—

(i) teen 'n laer prys as 49c per 5 kg netto massa verkoop nie, indien sodanige mielies van die klasse en grade WM1, WM2, YM1 en YM2 is; en

(ii) at a price less than 48c per 5 kg net mass if such maize is of the Classes and Grades WM3 and YM3.

3. The prices fixed in clause 2 (b) shall not include the value of a container, and if the maize is delivered in a container, the producer and buyer may determine the price of the container by mutual agreement.

4. In calculating the price payable in terms of clause 2, any fraction of a cent, if less than a half-cent, may be regarded as a half-cent, and if more than a half-cent, as a cent.

5. The prices for the respective classes and grades of maize fixed in clause 2 shall apply in respect of maize delivered—

(a) at the premises of the buyer; or

(b) in railway trucks at the producer's nearest railing point if the maize is despatched by rail.

6. This notice shall come into operation on 1 May 1979 and repeals Government Notice R. 868 of 27 April 1979 with effect from the same date.

DEPARTMENT OF THE INTERIOR AND IMMIGRATION

No. R. 956

27 April 1979

APPOINTMENT OF RETURNING OFFICER.— ELECTORAL DIVISION RANDFONTEIN

It is hereby notified that the Deputy Minister of the Interior and Immigration has in terms of the powers vested in him by section 35 (2) of the Electoral Consolidation Act, 1946 (Act 46 of 1946), appointed Mr Johannes Abraham Loubser Booysen, Chief Magistrate, Roodepoort, as returning officer for the electoral division of Randfontein with effect from 30 April 1979, in place of Mr S. M. de Witt, Principal Magistrate, who has by Proclamation 60 of 1979 been appointed as returning officer for the said electoral division.

GENERAL NOTICE

NOTICE 335 OF 1979

LIQUOR ACT, 1977

CORRECTION NOTICE

LIQUOR BOARD'S ANNUAL MEETING, NATAL.—NOTICE OF APPLICATIONS FOR LIQUOR LICENCES AND SPECIAL AUTHORITIES, ETC., TO BE CONSIDERED AT AN ANNUAL MEETING OF THE LIQUOR BOARD

In Notice 302 of 1979, *Government Gazette* 6420, of 27 April 1979, substitute the words "June and July 1979" with respect to the period during which the Liquor Board will hold an annual meeting for the words "March and April 1979".

(27 April 1979)

(ii) teen 'n laer prys as 48c per 5 kg netto massa verkoop nie, indien sodanige mielies van die klasse en grade WM3 en YM3 is.

3. Die pryse vasgestel in klousule 2 (b) sluit nie die waarde van 'n houer in nie, en indien die mielies in 'n houer gelever word, kan die produsent en die koper deur onderlinge ooreenkoms die prys van die houer bepaal.

4. By die berekening van die prys betaalbaar ingevolge klousule 2 mag enige breuk van 'n sent, indien minder as 'n halfsent, as 'n halfsent, en indien meer as 'n halfsent, as 'n sent beskou word.

5. Die pryse van die onderskeie klasse en grade mielies vasgestel in klousule 2 geld vir mielies gelever—

(a) by die koper se perseel; of

(b) in spoorwegtrokke by die produsent se naaste versporingspunt indien die mielies per spoor versend word.

6. Hierdie kennisgewing tree in werking op 1 Mei 1979 en herroep Goewermentskennisgewing R. 868 van 27 April 1979 met ingang van dieselfde datum.

DEPARTEMENT VAN BINNELANDSE SAKE EN IMMIGRASIE

No. R. 956

27 April 1979

AANSTELLING VAN KIESBEAMPTTE.—KIES- AFDELING RANDFONTEIN

Hierby word bekendgemaak dat die Adjunk-minister van Binnelandse Sake en Immigrasie, kragtens die bevoegdheid hom verleen by artikel 35 (2) van die Wet tot Konsolidasie van die Kieswette, 1946 (Wet 46 van 1946), mnr. Johannes Abraham Loubser Booysen, Hooflanddros, Roodepoort, aangestel het om as kiesbeampte vir die kiesafdeling Randfontein vanaf 30 April 1979 in die plek van mnr. S. M. de Witt, Eerste Landdros, wat by Proklamasie 60 van 1979 as kiesbeampte vir die genoemde kiesafdeling benoem is, op te tree.

ALGEMENE KENNISGEWING

KENNISGEWING 335 VAN 1979

DRANKWET, 1977

VERBETERINGSKENNISGEWING

DRANKRAAD SE JAARLIKSE VERGADERING, NATAL.—KENNISGEWING VAN AANSOEKE OM DRANKLISENSIES EN SPESIALE MAGTIGING, ENS. WAT TYDENS 'N JAARLIKSE VERGADERING VAN DIE DRANKRAAD OORWEEG SAL WORD

Vervang in Kennisgewing 302 van 1979, *Staatskoerant* 6420 van 27 April 1979, die woorde "Maart en April 1979" met betrekking tot die tydperk waarin die Drankraad 'n jaarlikse vergadering sal hou met die woorde "Junie en Julie 1979".

(27 April 1979)

dozen this week. This follows an average rise of 10% on animal feeds. But the contribution of the higher maize price to the egg price increase is only 2,5c-3c a dozen. The rest is accounted for by other inputs, such as oilcakes, fishmeal, fuel, and labour costs.

The climb in the maize price will affect "everything on the breakfast table," according to Jack Fick, secretary of the National Association of Maize Millers. Profit margins in the secondary industries are too tight to permit the rise to be absorbed, he claims.

SA Agricultural Union deputy director Piet Swart points to higher production costs in poultry and pig farming, while Dairy Board joint acting manager, Eddie Roux, concedes that milk prices will certainly be pushed up. Experts suggest the maize price hike alone will mean an extra 0,5c-0,75c/litre. Butter and cheese prices are also bound to go up.

Maize constitutes some 65% of poultry rations, and the mixed feed price for broilers has been increased by 8%. Economists reckon this will add about 5c-6c to the production cost of each frozen chicken.

Costs of beef production are expected to rise by around 5c-6c/kg following an 11% jump in cattle feed costs, although pork producers face a rise of only 3c-4c/kg.

Maize Board GM Hendrik Hickley reckons, however, that maize consumption is unlikely to be affected by the hike. There are few substitutes for maize in human consumption, and a scarcity of grain sorghum and lucerne leaves farmers with few alternatives for animal feed.

SAAU's Swart sees the new price as "fairly satisfactory" and says mielies are still a relatively cheap staple food. He points to the continuing deterioration in the financial position of maize farmers which would warrant an even higher price.

The latest estimate of this season's maize crop is around 6,9 Mt (against just over 10 Mt last season). This will leave the barest minimum for export and the stabilisation fund should thus be adequate to cover export losses. It is expected to hold R9,7m at the end of May and the levy to the fund has been cut from R3,60/t to R1,55/t.

MAIZE PRICE ^{3 Maize} The ripples start ^{and 5/7/71}

It hasn't taken long for last month's 21% maize price hike to hit consumers. And there are more shocks on the way, according to farm experts.

Egg prices were pushed up by 8c a

JAAP BOEKKOOI discusses a new drought-resistant mealie which could revolutionise maize farming.



Plant geneticist Piet Maré with his 3 m super "baby" — master mealie PNR 473 which you can "almost grow in the desert."

Is it a plain corn?

Is it just maize?

No, it's

Boekooi

SUPER MEALIE!

And the super mealie may be just the right answer to the impending threat of the 80s — the below-average rainfall cycle predicted by Wits University's meteorologist, Professor Peter Tyson.

Where did PNR 473, code name for the dryland mealie, suddenly come from?

Well, it did not come suddenly. It was in the making, with the toil and brainwaves for a long time. It was "engineered" by a team of plant geneticists led by Mr Piet Maré at a seed research station just outside Delmas over several years.

Mr Maré is a cautious scientist who prefers not to make sweeping claims for his botanical offspring. But with an MSc (Pretoria) in genetics under his hat, and a special interest in corn on the cob, he and his team work towards the ultimate goal, the ideal mealie for South Africa.

The original mealie plant which Mr Maré saw at an exhibition in Illinois "was just a kind of grass which the South American Indians probably hybridised into the small cob-producer found by the first Europeans."

Main demand

Since then the mealie has come a long way. In America maize is hybridised until it answers certain preconditions: survival in early frost, fast growing rates and maximum yields at constant rainfall.

The main demand on the ideal South African mealie, already a distinct variety, is quite different: it must survive our extremes of climate.

"With our little rain this year many traditional mealie-growing areas produced as little as two tons a hectare. Last year the yield was 3½ to 4 tons," says Mr Maré.

"But calculations in our computer centre show that with 400 mm of rain, PNR 473 can produce six tons and could even go up to 10 tons."

As with all crops these figures, the Delmas scientists warn, are sub-

ject to climate, the spread of the available rainfall, but especially the water storage capacity of the soil.

A drought-resistant mealie may send its roots more than 2 m into the soil and find enough water from last season's rainfall at less than 1.5 m.

Next year

PNR 473, a bastard of promiscuous parentage, is now being tested in different parts of the country, and its seed will not be generally available before August 1980, although small supplies will be marketed before this year's planting season.

The farmers will find that 473's outstanding characteristic is its high efficiency, pollination. Mealies are bisexual plants, but often the pollen-producing tassels (the plume on top) comes out too late to fertilise the silk (the brown hairs on the cob).

In the wonder mealie the gene with the light brown hair has been so engineered that its fer-

And there is a mealie which has been bred to produce the complex chemical DIMBOA, repulsive to the plant enemy, the disastrous stalk borer.

Leaf burn

There are late mealies which can be planted after spring and early summer droughts that produce all their cobs at the same time and fight the highly damaging crop and tassel smut fungus.

Strange types

For tomorrow has already begun at the Delmas seed station, agriculturally speaking. In other towns, of the 15 ha experimental grounds stand other strange varieties of the mealie plant which, in some years, makes South Africa the world's largest maize exporter after the United States.

There is the new high-protein mealie, a complete meal in itself but for certain inhibitors, and the final weapon in the fight against the disease kwashiorkor.

You have to be mealie-mouthed to deny that in this field miracles do happen every year.

Look at South Africa's once mighty and moneyed mealie triangle whose 5 000-million stalks now stand drought-shrivelled and often cobless in the winter wind. But do not despair — the Master Mealie is here.

Mr Schoeman said he had seen the new mealie plant come to maturity on a mere 112 mm of rain, about one-sixth of Johannesburg's annual rainfall. About 4½ inches of rain to those who think in pre-metric terms.

The wonder plant is the product of South Africa's best farming technology and botanical genetics, so crossbred that — with luck — you could grow it in a desert. In the whole wide world of maize growing, which boasts hundreds of varieties of all shapes and sizes, there is just nothing like it.

Mr Schoeman said he had seen the new mealie plant come to maturity on a mere 112 mm of rain, about one-sixth of Johannesburg's annual rainfall. About 4½ inches of rain to those who think in pre-metric terms.

MAIZE EXPORTS (3) *Maize*

Thinking of 1980 *from 1978*

The Maize Board forecast last week that SA's maize exports this season will be only 909 000 t, less than a third of the 3.05 Mt shipped in the year to April 1979. Most experts agree, however, that the board's estimate is too low.

The export projection is based on a crop of 6.4 Mt. But maize harvested so far has produced a surprisingly high yield, and this week's crop estimate from the Department of Agriculture, 7.1 Mt, is little changed from the mid-March stand of 6.9 Mt. "There is a possibility that our export surplus estimate is too conservative," concedes Maize Board GM Hendrick Hickey.

Wisely, the board is taking no chances. Only two cargoes of maize will be exported in July, compared with 12 in April and no fewer than 21 in July 1978.

It is also likely that shipments to Taiwan, which has a 600 000 t per year contract with the board, will be cut back. Under terms of the contract, supplies to Taiwan may not exceed about 30% of the season's exportable surplus, and no maize has been sent to Taiwan for several months.

Though SA will certainly have enough maize to feed itself this year, minds are already turning to 1980. "We're going to need a very good crop next year," says one trader. The projected carry-over at the end of the season is only 900 000 t compared with over 2 Mt at the end of the 1978-79 season last month. Big headache is white maize: a mere 60 000 t will be stockpiled in April 1980.

RETURNS TO BE RENDERED AND RECORD
TO BE KEPT BY PRODUCERS OF SEED MAIZE

In terms of section 79 (c) of the Marketing Act, 1968 (Act 59 of 1968), I, Hendrik Stephanus Johan Schoeman, Minister of Agriculture, hereby make known that the Maize Board, referred to in section 6 of the Summer Grain Scheme, published by Proclamation R. 45 of 1979, has in terms of section 31 of that Scheme, with my approval, prescribed the requirements set out in the Schedule hereto in substitution for the requirements published by Government Notice R. 687 of 1 May 1970.

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

SCHEDULE

1. In this notice, unless inconsistent with the context, any word or expression to which a meaning has been assigned in the Summer Grain Scheme, published by Proclamation R. 45 of 1979, shall have a corresponding meaning and—

“Area A” means the area consisting of the Provinces of the Transvaal and the Orange Free State, the Magisterial Districts of Hartswater, Mafeking, Vryburg and Warrenton in the Cape Province and the Magisterial Districts of Bergville, Dannhauser, Dundee, Estcourt, Glencoe, Klip River, Kranskop, Newcastle, Paulpietersburg, Umvoti, Utrecht, Vryheid and Weenen in the Province of Natal;

“Area B” means the area consisting of the Magisterial Districts of Alexandria, Aliwal North, East London, Kimberley, King William's Town, Kuruman, Maclear, Port Elizabeth, Queenstown and Uitenhage in the Cape Province; those portions of the Magisterial Districts of Gordonia, Hay, Kenhardt and Prieska in the Cape Province situated in a strip 48 km north and 48 km south of the Orange River between Boegoeberg Dam and a point on the Orange River directly north of Noudonsies; and the Magisterial Districts of Camperdown, Durban, Hlabisa, Ixopo, Lions River, Mooi River, Mount Currie, Msinga, New Hanover, Nqutu, Pietermaritzburg, Pinetown and Port Shepstone in the Province of Natal;

“month” means the period extending from the first to the last day, both days inclusive, of any of the 12 months of the year.

2. Every person in Area A or Area B who is registered as a producer of seed maize in terms of section 36 of the Summer Grain Scheme and who deals in the course of trade with seed maize, shall—

(a) (i) within 15 days after the end of each month render to the Maize Board, P.O. Box 669, Pretoria 0001, a return in the form set out in Annexure B.S.1 containing the particulars required in connection with seed maize in that annexure for that month; and

OPGAWES WAT DEUR PRODUSENTE VAN
MIELIESAAD VERSTREK EN REKORD WAT
GEHOU MOET WORD

Ingevolge artikel 79 (c) van die Bemarkingswet, 1968 (Wet 59 van 1968), maak ek, Hendrik Stephanus Johan Schoeman, Minister van Landbou, hierby bekend dat die Mielieraad, genoem in artikel 6 van die Somergraanskema, afgekondig by Proklamasie R. 45 van 1979, kragtens artikel 31 van daardie Skema met my goedkeuring die voorskrifte in die Bylae hiervan uiteengesit, voorgeskryf het ter vervanging van die voorskrifte afgekondig by Goewermentskennisgewing R. 687 van 1 Mei 1970, soos gewysig.

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

BYLAE

1. In hierdie kennisgewing, tensy uit die samehang anders blyk, het 'n woord of uitdrukking waaraan in die Somergraanskema, afgekondig by Proklamasie R. 45 van 1979, 'n betekenis geheg is, 'n ooreenstemmende betekenis en beteken—

“Gebied A” die gebied bestaande uit die provinsies Transvaal en die Oranje-Vrystaat, die landdrostdistrikte Hartswater, Mafeking, Vryburg en Warrenton in die Kaapprovinsie en die landdrostdistrikte Bergville, Dannhauser, Dundee, Estcourt, Glencoe, Kliprivier, Kranskop, Newcastle, Paulpietersburg, Umvoti, Utrecht, Vryheid en Weenen in die provinsie Natal;

“Gebied B” die gebied bestaande uit die landdrostdistrikte Alexandria, Aliwal-Noord, Kimberley, King William's Town, Kuruman, Maclear, Oos-Londen, Port Elizabeth, Queenstown en Uitenhage in die Kaapprovinsie; die gedeeltes van die landdrostdistrikte Gordonia, Hay, Kenhardt en Prieska in die Kaapprovinsie wat binne 'n strook van 48 km noord en 48 km suid van die Oranjerivier tussen Boegoebergdam en 'n punt op die Oranjerivier reg noord van Noudonsies lê; en die landdrostdistrikte Camperdown, Durban, Hlabisa, Ixopo, Lions River, Mooirivier, Mount Currie, Msinga, New Hanover, Nqutu, Pietermaritzburg, Pinetown en Port Shepstone in die provinsie Natal;

“maand” die tydperk wat van die eerste tot die laaste dag, albei dae ingesluit, van enigeen van die 12 maande van die jaar strek.

2. Elke persoon wat in Gebied A of Gebied B ooreenkomstig artikel 36 van die Somergraanskema as 'n produsent van mieliesaad geregistreer is en met mieliesaad as 'n besigheid handel, moet—

(a) (i) binne 15 dae na die einde van elke maand 'n opgawe in die vorm in Aanhangsel B.S.1 uiteengesit, aan die Mielieraad, Posbus 669, Pretoria 0001, verstrek waarin hy besonderhede in verband met mieliesaad wat in daardie aanhangsel vir daardie maand verlang word, verskaf; en

(ii) within 15 days after the last day of the month of November of each year render to the above-mentioned Board in respect of his sales of seed maize in the period 1 May to 30 November of each year and thereafter within 15 days after the last day of the months of December, January, February, March and April of each year in respect of his sales of seed maize in each of the latter months a return in the form set out in Annexure B.S.2 containing the particulars required in connection with seed maize in that annexure for those months;

(b) in respect of each sale of seed maize keep a record showing the following particulars:

- (i) The date of sale;
- (ii) name and address of the buyer;
- (iii) mass and identity of the seed maize;
- (iv) price at which seed maize was sold;

and retain such record for a period of four years.

3. The requirements published by Government Notice R. 687 of 1 May 1970, as amended by Government Notices R. 1406 of 28 August 1970, R. 907 of 28 May 1971, R. 1855 of 20 October 1972 and R. 1030 of 18 June 1976, are hereby repealed.

(ii) binne 15 dae na die laaste dag van die maand November van elke jaar ten opsigte van sy verkope van mieliesaad in die tydperk 1 Mei tot 30 November van elke jaar en daarna binne 15 dae na die laaste dag van elk van die maande Desember, Januarie, Februarie, Maart en April van elke jaar ten opsigte van sy verkope van mieliesaad in elkeen van laasgenoemde maande 'n opgawe in die vorm in Aanhangsel B.S.2 uiteengesit, aan genoemde Raad verstrekk waarin hy besonderhede in verband met mieliesaad wat in daardie aanhangsel vir daardie maande verlang word, verskaf;

(b) ten opsigte van elke verkoop van mieliesaad 'n rekord hou waarin die volgende besonderhede aangedui word:

- (i) Die datum van verkoop;
- (ii) naam en adres van die koper;
- (iii) massa en identiteit van die mieliesaad;
- (iv) prys waarteen die mieliesaad verkoop is;

en sodanige rekord vir 'n tydperk van vier jaar behou.

3. Die voorskrifte afgekondig by Goewermentskennisgewing R. 687 van 1 Mei 1970, soos gewysig deur Goewermentskennisgewings R. 1406 van 28 Augustus 1970, R. 907 van 28 Mei 1971, R. 1855 van 20 Oktober 1972 en R. 1030 van 18 Junie 1976, word hierby herroep.

MAIZE BOARD/MIELIERAAD

ANNEXURE B.S.1/AANHANGSEL B.S.1

MONTHLY RETURN OF TRANSACTIONS IN SEED MAIZE AND SEED MAIZE OFFAL
MAANDELIKSE OPGAWE VAN TRANSAKSIES IN MIELIESAAD EN MIELIESAADAFVAL

Name of registered seed maize producer/Naam van geregistreerde mieliesaadproducent
Month/Maand 19

(a) Varieties of white maize Variëteite witmelies	t rounded off to three decimals t afgerond tot drie desimale								
	Opening stocks Openingsvoorraad		Quantity obtained from cleaning and classification of own production (including from contract growers) Hoeveelheid verkry van skoonmaak en klasstikmasie van eie produksie (insluitende van kontrakkwekers)	Bought from other persons Gekoop van ander persone	Total available Totaal beskikbaar	Sales Verkope		Stocks carried over to following month Voorraad oorgedra na volgende maand	
	Own production and of contract growers Eie produksie en van kontrakkwekers	Bought from other persons Van ander persone gekoop				Own production and from contract growers Eie produksie en van kontrakkwekers	Ex stocks bought from other persons Uit voorraad van ander persone aangekoop	Own production and of contract growers Eie produksie en van kontrakkwekers	Bought from other persons Van ander persone aangekoop
.....
.....
.....
.....
Offal/Afval.....
Total White Totaal Wit.....
(b) Varieties of yellow maize Variëteite geelmelies.....
.....
.....
.....
Offal/Afval.....
Total Yellow Totaal Geel.....

I, the undersigned, hereby declare that the information furnished above is true and correct./Ek, die ondergetekende, verklaar hiermee dat die inligting hierbo verstrekk waar en juis is.

Date/Datum

Signature of person authorised to sign this return
Handtekening van persoon wat gemagtig is om hierdie opgawe te onderteken

MAIZE BOARD/MIELIERAAD

ANNEXURE B.S.2/AANHANGSEL B.S.2

MONTHLY RETURN OF SALES OF SEED MAIZE TO PERSONS NOT REGISTERED WITH THE BOARD
AS PRODUCERS OF SEED MAIZE
MAANDELIKSE OPGAWE VAN VERKOPE VAN MIELIESAAD AAN PERSONE WAT NIE AS PRODUSENTE
VAN MIELIESAAD BY DIE RAAD GEREGISTREER IS NIE

Name of registered producer/Naam van geregistreerde produsent
Month/Maand 19

Destination of seed maize* Bestemming van mielie- saad*	t rounded off to three decimals/t afgerond tot drie desimale											
	White hybrids/Wit basters				Yellow hybrids/Geel basters				Total/Totaal			
	SA hybrids SA- basters	Private hybrids Privaat- basters	Imported seed Inge- voerde saad	Total	SA hybrids SA- basters	Private hybrids Privaat- basters	Imported seed Inge- voerde saad	Total	SA hybrids SA- basters	Private hybrids Privaat- basters	Imported seed Inge- voerde saad	Total
A. Natal.....												
B. Cape Province/Kaap- provinsie.....												
C. Western Free State/ Wes-Vrystaat.....												
D. Central and Southern Free State/Sentraal- en Suid-Vrystaat.....												
E. North Western Free State / Noordwes-Vry- staat.....												
F. North Eastern Free State / Noordoos-Vry- staat.....												
G. Western Transvaal / Wes-Transvaal.....												
H. Eastern Transvaal Highveld / Oostelike Transvaalse Hoëveld..												
I. Witwatersrand.....												
J. Northern and Eastern Transvaal/Noord- en Oos-Transvaal.....												
Total Republic / Totaal Republiek.....												

* Information regarding the geographic demarcation of crop estimate regions is obtainable from the Maize Board, P.O. Box 669, Pretoria, 0001, on request.
Inligting aangaande die geografiese afbakening van oesskattingstreke is op aanvraag by die Mielieraad, Posbus 669, Pretoria, 0001, verkrygbaar.

PP 1-7, 16-1



REPUBLIC OF SOUTH AFRICA
GOVERNMENT GAZETTE

STAATSKOERANT
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PRETORIA, 1 JUNE 1979
JUNIE 1979

[No. 6467]

PROCLAMATIONS

by the State President of the Republic of South Africa

No. R. 112, 1979

③ Maize

CONTROL OF THE IMPORTATION AND EXPORTATION OF MAIZE AND MAIZE PRODUCTS

Under the powers vested in me by section 87 of the Marketing Act, 1968 (Act 59 of 1968), I hereby—

(a) prohibit the importation into or the exportation from the Republic of maize and maize products, except under authority of a permit issued by the Secretary for Agricultural Economics and Marketing, or otherwise than in accordance with conditions set out therein;

(b) confer upon the Maize Board, referred to in section 6 of the Summer Grain Scheme, published by Proclamation R. 45 of 1979, the sole right to import into the Republic maize of the cultivars *Zea mays indentata* and *Zea mays indurata* (excluding maize of the said cultivars intended as seed) and maize products:

Provided that the total quantity of maize, maize intended as seed and maize products which may be imported and/or exported during a particular period, shall not exceed a quantity determined in respect of such period by the Minister after consultation with the Marketing Council and the Maize Board:

Provided further that this Proclamation shall not apply to—

(i) any quantity of maize and maize products which is being supplied to ships in the harbours of the Republic for use on such ships or which at the time of importation is entered at the customs for warehousing in a bonded warehouse solely for the supply to such ships as ship's stores; and

9253—A

PROKLAMASIES

van die Staatspresident van die Republiek van Suid-Afrika

No. R. 112, 1979

BEHEER OOR DIE INVOER EN UITVOER VAN MIELIES EN MIELIEPRODUKTE

Kragtens die bevoegdheid my verleen by artikel 87 van die Bemarkingswet, 1968 (Wet 59 van 1968)—

(a) verbied ek hierby die invoer in die Republiek of die uitvoer uit die Republiek, van mielies en mielieprodukte behalwe op gesag van 'n permit deur die Sekretaris van Landbou-ekonomie en -bemarking uitgereik of andersins as ooreenkomstig voorwaardes daarin uiteengesit;

(b) verleen ek hierby aan die Mielieraad, vermeld in artikel 6 van die Somergraanskema, afgekondig by Proklamasie R. 45 van 1979, die alleenreg om mielies van die kultivars *Zea mays indentata* en *Zea mays indurata* (uitgesonderd mielies van sodanige kultivars bestem as saad) en mielieprodukte in die Republiek in te voer:

Met dien verstande dat die totale hoeveelheid mielies, mielies bestem vir saad en mielieprodukte wat gedurende 'n bepaalde tydperk ingevoer en/of uitgevoer mag word, nie 'n hoeveelheid mag oorskry nie wat ten opsigte van so 'n tydperk deur die Minister na oorlegpleging met die Bemarkingsraad en die Mielieraad bepaal is:

Met dien verstande verder dat hierdie Proklamasie nie van toepassing is nie op—

(i) enige hoeveelheid mielies of mielieprodukte wat aan skepe in die hawens van die Republiek verskaf word vir gebruik op sodanige skepe of wat ten tye van invoer by die doeane ingeklaar word vir opberging in 'n doeanepakhuis alleenlik vir verskaffing aan sodanige skepe as skeepsvoorrade; en

6467—1

(ii) a quantity of maize (excluding maize intended as seed) and maize products having a mass not exceeding 50 kg.

Proclamation R. 33 of 1978 is hereby repealed.

Given under my Hand and the Seal of the Republic of South Africa at Cape Town on this Fourteenth day of May, One thousand Nine hundred and Seventy-nine.

B. J. VORSTER, State President.

By Order of the State President-in-Council:

H. S. J. SCHOEMAN.

SCHEDULE

In this Proclamation, unless inconsistent with the context, any word or expression to which a meaning has been assigned in the Marketing Act, 1968, shall have a corresponding meaning, and—

“maize products” means cracked maize, samp, maize meal, maize bran, maize germ, maize starch, maize gluten, maize oil and maize germ meal and includes such products contained in any commodity excluding baby and invalid foods, baking powder, maize flakes, canned and processed meat, spreads, canned fruit, conserve and jam, curry powder, sweets, medicinal preparations, milk powder, pepper, puddings and pudding powders, soup and sauce powders and custard powder;

“Republic” excludes the Territory.

(ii) 'n hoeveelheid mielies (uitgesonderd mielies bestem vir saad) en mielie produkte met 'n massa van hoogstens 50 kg.

Proklamasie R. 33 van 1978 word hierby herroep.

Gegee onder my Hand en die Seël van die Republiek van Suid-Afrika te Kaapstad, op hede die Veertiende dag van Mei Eenduisend Negehonderd Nege-en-sewentig.

B. J. VORSTER, Staatspresident.

Op las van die Staatspresident-in-rade:

H. S. J. SCHOEMAN.

BYLAE

In hierdie Proklamasie, tensy in stryd met die samehang, het 'n woord of uitdrukking waaraan in die Bemarkingswet, 1968, 'n betekenis geheg is, 'n ooreenstemmende betekenis, en beteken—

“mielieprodukte” gebreekte mielies, stampmielies, mieliemeel, mieliesemels, mieliekiem, mieliestysel, mieliegluten, mielie-olie en mieliekiemmeel en sluit in sodanige produkte vervat in enige handelsartikel uitgesonderd haba- en invalidevoedsels, bakpoeier, mielievlokkies, ingelegde en verwerkte vleis, smere, ingelegde vrugte, konserf en konfyt, kerriepoeier, lekkers, medisinale preparate, melkpoeier, peper, poeding en poedingpoeier, sop- en souspoeiers en vlapoeier;

“Republiek” nie ook die Gebied nie.

SA maize exports get US boost

RAM
3/7/77
3-11-77

By NEIL BEHRMANN

LONDON. — South African maize exports should be boosted by the sharp increase in prices of grains in Chicago during the past few months.

Maize and wheat prices have soared because of reports that the Soviet Union's crop will be much lower than anticipated.

According to grain dealers at Bache, the poor 1979 Soviet crop could result in USSR imports of up to 30-million tons, depending on the capacity of her ports.

At the beginning of this year maize was trading at 240c a bushel on the huge grain exchange, the Chicago Board of Trade.

Wheat was around 350c.

But in the past few weeks, the maize price soared to a peak of 315c a bushel and wheat to 475c.

Both wheat and maize prices, however reacted last week on reports of a good US crop and on Friday, wheat was around 425c a bushel and maize 297c.

Grain prices took off when the United States Department of Agriculture estimated that because of drought, the Soviet Union's grain crop would fall by 28% from the record 237,2-million tons last year.

The grain crop includes both wheat and grain.

A CIA estimate puts the Soviet crop at 185-million tons.

Agricultural officials said that this means that the Soviet Union might be forced to import 30 to 35-million tons of grain next year with 20-million tons coming from the United States.

Three large maize sales and one wheat sale was announced and more grain is expected to be bought from the United States when the Soviet Union begins its new marketing year on October 1.

Mr Keith Edwards who specialises in grains for Bache says that there is a worldwide surplus of both wheat and

grain, so the market should be able to accept the Soviet Union's orders with little difficulty.

He does not foresee a repeat of the 1972 to 1974 grain rush when the Soviet Union was a big buyer from the United States.

During that period the wheat price rocketed from 140c a bushel in 1972 to 640c early 1974.

Maize prices rose from 120c a bushel to 400c.

That rise followed a decline in Soviet grain production from 181-million tons to 169-million tons because of a severe winter and then very hot weather.

As a result, Russia entered the world grain market during the 1972 to '73 season and imported 22.6-million tons with the United States supplying 9.5-million tons of wheat and 3.7-million tons of corn.

Speculators climbed on to the bandwagon, the trade was caught short and in a hair-raising market, prices surged ahead.

Inevitably, the ultimate collapse came when the bubble burst and by the end of 1977 wheat prices were back to 220c and corn 180c a bushel.

Mr Edwards, however, does not foresee a repeat of the fiasco which was experienced six years ago.

This year Russia's intentions have been made public so it is a known factor in the market.

The big increase in Soviet Union grain imports could have an indirect impact on other commodities.

Another Bache trader, Peter Gignoux says that in the past the Soviet Union sold more gold and platinum, to pay for its grain.

This could happen again and have a negative impact on precious metals prices.

On the other hand high grain prices add to inflation and indirectly have a bullish impact on gold, silver and platinum, he says.

"Poems sincere to the point of pain" Natal Witness

says Tomlinson.
The latest estimates of the SA maize crop run at around 7,5 Mt, compared with 10,5 Mt last season, and exports are expected to drop to about 1,7 Mt.
There are also indications of a short Russian crop, and 16 ships have already been chartered by the Russians to cater for imports later in the year. The total grain shortage in that country is expected to be up to 30 Mt, although the massive overhang of more than 170 Mt on the world market should be able to accommodate this without much difficulty, say leading traders.
Meanwhile, the FM learns that the Maize Board is considering futures trading on the Chicago commodities market. A delegation will be leaving next month for Chicago to study the pros and cons of hedging.

Although the Maize Board refuses to comment, the SA Sugar Association, an active participant in the futures market, confirms it has been approached by the Board for an opinion on futures trading. Opting for hedging, reckon some experts, should bolster the export price.

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MAIZE EXPORTS
F.M. 13/7/79
Bumper prices

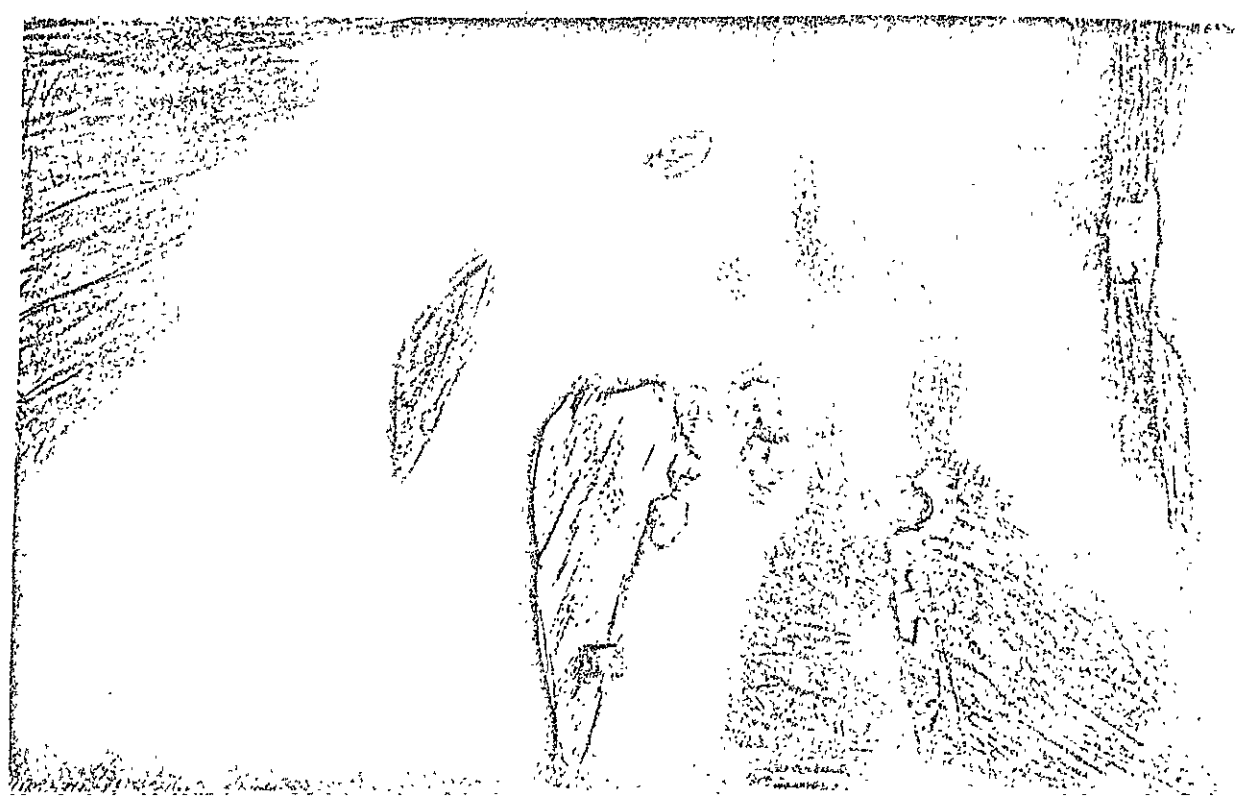
SA yellow maize export prices reached a record R137/t at tender last week and traders reckon this season's shortage of SA grain could allow these levels to continue.

Local export agents, General Overseas Holdings, were responsible for the tender on behalf of principals Tradax, of Geneva. Export assistant Dorian Luzzatto reckons the record price was not just a flash in the pan - "the market is willing to pay these prices for SA maize." This month, he points out, agents have only 56 000 t on offer, compared with 140 000 t this time last year. There was a further tender this week for 14 000 t due for September delivery from Durban.

SA's high quality yellow maize normally commands a premium over US prices (currently around R100/t), reckons SA Maize Speciality Organisation director Freek Tomlinson. But to see such a wide margin so early in the export season is "surprising," he says. The gap is usually much narrower at the beginning of the season, but widens later when the Argentinians stop selling. Argentinian grain is of high quality, but their storage capacity is comparatively small and maize must be exported as it is harvested,

Financial Mail July 13 1979

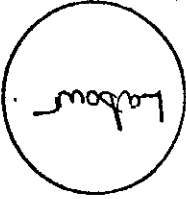
Stance



'It is a beautiful a
umped Aragon's 'cage of words' and found the door of this
'world of black and white' MARGUERITE EDMONDS, New Nation

'Horn often manages
landscapes to capture
suffering can take
'poems that redefining
'We can seize a def
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thorough way". ROBER

Poems
Peter Jones



GRAIN CROPS Rain helps

③ Maize
2m3/6/79

The Wheat Board's GM, Dennis van Aarde, sets off shortly on a selling trip to Europe. He is hoping to renew export markets for barley in Germany, France and the UK, and will be talking to potential buyers in Belgium and Denmark.

Barley is one of the few commodities which will yield a higher harvest this year than in 1978. Early estimates put the crop at more than 134 000 t, but some of this will be of poor quality. Nonetheless, Van Aarde says that having overcome some drying problems, the board will have



Dennis van Aarde . . . anyone for barley?

British Steel told us employees that they had three live positions on their staff. These were hired as technicians and they were not being trained to move up the ladder. In contrast BP were concerned that only 18 of their senior jobs in the company. This concern has led to action. To increase the level of advancement dates for advancement in higher positions in the company, we have a collaboration with the National Institute for Personnel Research, completed a study to assess the development potential of all blacks with eight or more years education. That plan training and to enable us to start careers for these employees and to promote them to more senior positions. Set an objective to fill 50 per cent of all vacancies in middle and senior positions for blacks, providing which outside recruitment is necessary, with use of the company's available resources. Start a school establishment of six high potential African trainees to be trained on a preparation for senior positions.

front

All's not so well

on

post

After our attorneys wrote to the company, the board were re-instated. We believe that their re-employment was given for 22 years. The reason given for his dismissal is that he went to the factory gate to get a message. We have since found out that it is common practice for workers to go to the gate to get their messages from outside. We believe that he was also victimised because he is out member. Finally, the workers have been told that all trouble-makers will not have their service contracts renewed. Export-trouble-makers are that "trouble-makers" have the people who have joined the union.

also victimised

Members

The day after the termination of the union's management, received the letter, appointed a union committee in the factory to work in the interests of some of the workers and the workers believe that when workers reject this appointed committee and asked to elect their own, the number of members of the union. The union alleges that when the workers elected a membership of 200 part in the plant, they were a letter to the management of Williams Brothers and the letter was torn up in the presence of one of the union's shop stewards.

Union claims

more than 60 000 t available for export. With the world price currently hovering around £90 (R175)/t barley exports could bring in around R10,5m.

Latest estimates of the current wheat crop indicate a yield of 1,5 Mt. Though 1,6 Mt has been earmarked for commercial milling, the shortfall will be drawn from stockpiles. Van Aarde explains that "it is policy to keep a stockpile of 4 months milling capacity, roughly 540 000 t."

Next season's crop to be harvested from October should be better. Reckons Van Aarde: "Early estimates are 1 556 900 t, to which can be added about 150 000 t after the recent good rains in the Free State." Millers' needs should be about the same as the current season, thus leaving a small surplus for export, which is likely to go to African countries.

Thanks to rising crop estimates, the maize export programme has been stepped up. In September, four cargoes of yellow maize (excluding four for Taiwan) and one of sorghum are scheduled. Eight maize cargoes (plus four for Taiwan) are planned for October. Traders expect the tender to go up to 10 cargoes a month by the end of the year.

TODAY we give details of the gloomy picture as far as training and job advancement go. We give our findings on these aspects on five of the 20 companies we have interviewed. This far.

British companies appear to have little fear from the clause in the EEC code of conduct which requires them to report progress in complying with the code to Whitehall. The public has no automatic right of access to information contained in these reports, and there is thus no automatic independent check on them. The Durban based Chemical Workers Industrial Union recently wrote to the British Board of Trade asking for a copy of submissions made by Rectex, a UK firm in whose Durban subsidiary the union claims majority membership. An official did — but he was told that he could not copy from or reproduce the report. Says a union spokesman: "This makes nonsense of the report-back provisions. We assumed the public had free access to the reports."

back at work
JOHANNESBURG — Slaughtermen returned to work at all five levels and following the settlement of their dispute with the SA Slaughter Corporation. The day after the termination of the union's management, received the letter, appointed a union committee in the factory to work in the interests of some of the workers and the workers believe that when workers reject this appointed committee and asked to elect their own, the number of members of the union. The union alleges that when the workers elected a membership of 200 part in the plant, they were a letter to the management of Williams Brothers and the letter was torn up in the presence of one of the union's shop stewards.

THE Metal and Allied Workers' Union alleges that when the workers elected a membership of 200 part in the plant, they were a letter to the management of Williams Brothers and the letter was torn up in the presence of one of the union's shop stewards.

From coal Mill
EEC LABOUR CODE
Tobin's watchdog



Mercury Bureau

Pietermaritzburg
NATAL maize farmers
face a crisis unless it
rains before the first
week in September.

This warning comes
from the Natal
Agricultural Co-
operative at a time
when many farmers are
busy preparing lands for
next season's crop.

A spokesman for the
co-operative said
yesterday that dry con-
ditions in the province
were also having an
adverse effect on the
fuel situation.

"Because of the dry
conditions, farmers
ploughing are using
between 60 and 80 per-
cent more fuel to
prepare their lands," he
said.

Particularly

Conditions were par-
ticularly bad in the
Utrecht area and were

Natal maize farmers face drought crisis

causing concern in the
Normandy and Newcas-
tle districts.

"If it does not rain by
the first week in
September, farmers
will be in a crisis
situation," the
spokesman said.

As far as last season's
maize crop was con-
cerned, the spokesman

said, it was not possible
at this stage to compare
figures, with the
previous crop.

He added, however,
that figures for last
season would be down
on the previous year —
but not by as much as
was originally an-
ticipated.

Farmers were still

delivering maize and it
would be two or three
weeks before com-
parable figures would
be available.

Worst hit by damage
to crops were again
farmers in the Utrecht,
Normandy and Newcas-
tle areas.

A spokesman for the
Agricultural Technical

Services at Cedara said
the department was
keeping a close watch
on the situation.

The spokesman
pointed out, however,
that it was always dry
at this time of the year
and that where possible
farmers should delay
ploughing until the first
rains.

Die Sentrum word grootliks gefinansier deur die Abe
Bailey-Trust wat ingevolge die testament van Sir Abe
Bailey gestig is. Dit is geregistreer as The Abe Bailey
Institute of Inter-Racial Studies Limited (Beperk deur
Garansie) - 'n maatskappy beperk deur garansie en sonder
'n aandeel-kapitaal kragtens die Maatskappywet 1973 (Wet
Nr. 61 van 1973).

By PENELOPE MORGAN

THE Maize Board will decide within a month whether to operate in the sophisticated Chicago commodities futures market.

Maize Board, general manager, Hendrik Hickey comments: "If we decide to use the futures market we will not use it on a day-to-day basis, but rather to try to lock in what we consider to be the most favourable prices for the SA product."

"The Board will endeavour to increase its net realisation on maize exports."

If they go ahead in this break from their conservative marketing strategy they will reduce their dependence on the state stabilisation fund.

Obligation

A futures contract incorporates an obligation to either accept or deliver a specified quantity and quality of a commodity on a specific future date.

The only variable is the price which fluctuates in response to the forces of supply and demand.

To hedge is to take an equal, but opposite, position in the futures market to that held in the physical market.

The advantages of hedging are not necessarily the achievement of huge profits

Maize futures: A decision soon

Sun. Times Bus. 30/9/79

3-Maize

but rather continuing secure profits.

Comments Rod Holness, managing director of Commodity Brokers (Pty):

"The biggest advantage of hedging is that of fixing returns."

"A producer can insure against fluctuations in price and can, therefore, plan production for the future knowing what his returns will be."

"If protection is required against a decrease in the price of its commodity, a company will hedge by selling a futures contract, or part thereof, to counter the price fall."

"Conversely, if protection is needed against a price rise, the company will buy a futures contract, to offset the rise. It's for this reason that the number of futures contracts that reach maturity is small."

The only SA soft commodity exporter who uses the futures markets of the world in a big way is the sugar industry which, since the early 1960s, has been operating vigorously and successfully in sugar futures.

David Hardy, export man-

ager of the SA Sugar Association says: "Because we plan our crop well ahead, the investment relating to a crop must be made long before the product is ready to be sold."

"It is, therefore, in our interests to protect the income that we will earn from that crop by hedging it on the futures markets."

The sugar industry, through complicated projections, establishes a break-even price below which their product may not be sold.

Break-even

If the price of sugar on the futures markets moves above the break-even level then the industry can and does hedge at those values. They sell up to about 90% of their production by futures contracts.

Mr Holness adds that soft commodities that are subject to the weather are more open to the risk factor than metals.

He stresses that it is vital for those involved in the

hedging of futures contracts in agricultural products to be in touch with how the crop is progressing.

It is surprising that SA who is a major commodities exporter does not operate more on world commodity markets.

South Africa could benefit from operating on the futures markets in citrus, wool, livestock (on the hoof), wheat, and maize.

The London and New York metal futures markets offer plenty of scope to SA sellers to cover themselves against price fluctuations.

Some mining companies do hedge a proportion of their production but they tend to be companies that have, if not a foreign parent, at least an office, in Europe or the US.

For exchange control reasons, the SA Reserve Bank is "suspicious" of futures and stipulates that margins must be paid in SA.

However, the sugar industry is allowed to pay its margins in the centre where that transaction is taking place.

Another factor inhibiting a greater use of the world's futures markets by SA commodity producers is the lack of expertise.

Without highly sophisticated data on which to base projections of future prices, hedging becomes a highly speculative pastime.

According to a director of a major local grain trading company which is the subsidiary of a US giant grain trader, futures trading can be a very risky business.

Expertise

He says: "Without a very high level of expertise, a pretty sharp sense of timing and a spot-on communications system to go with it, futures trading can be as much of a gamble as playing the horses."

"On the volatile Chicago market, in some commodities, especially soya beans, the price of the commodity is controlled by those gambling on the market and not the commodity traders."

3 - maize

The pepped-up

maize-meal

3 - Maize
S/Times

idea has come to fruition

7/10/79

QUESTIONS

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THE R400-million a year maize-meal market has been given its first jolt forward in many years with the launching by Fedfoods of an enriched maize-meal product.

With a market share of about 10-to-11% Fedfood is the third largest supplier of milled maize in a market dominated by Tiger Oats (23%) and Premier Milling (22%). Numerous others contest the remainder.

The new enriched meal venture will further the company's avowed diversification policy from its fishing interests which account for about 70% of its R300-million turnover.

Fedfood, part of the giant Federale Volsbeleggings group, believes it will have powerful backing in the marketing of the enriched meal as it claims that it could eliminate pellagra which is common among blacks who eat maize-meal as a staple diet.

Natural maize is deficient in two B-group vitamins, nicotinic acid and riboflavin. Pellagra commonly results from these deficiencies.

Imminent

The company's foray into BophuthaTswana via its existing facilities at Mafeking and Vryheid was marked this week by a lunch attended by Chief Lucas Mangope, president of BophuthaTswana, who has long called for an enriched maize product.

Fedfood also expects backing from the Department of Health and other homeland governments, and foresees imminent moves to

BY ANDREW MCNULTY

Make manufacture of enriched meal mandatory.

A spokesman for the National Association of Maize Millers says they have had numerous inquiries from members wanting information on how to manufacture and market an enriched product.

"A sub-committee is meeting to draft standard recommendations if they are considered necessary," he said.

Johan Louw, managing director of Fedfoods, is reluctant to state sales targets for the new product but says the main aim is to increase market share.

Resistance

Attempts to launch an enriched product have been spurned in the past by the industry which feared it would meet powerful sales resistance, particularly from blacks.

However Mr Louw says the acceptability of the product was researched among a sample of 100 black families to ensure there were no discernible differences from standard meal.

In addition to market research, some R300 000 is being spent on promotion and about R250 000 on manufacturing facilities.

The price is only marginally higher than standard maize-meal at an extra 3c per 12,5 kg bag.

A Premier Milling spokesman refuses to comment on how his company sees the future of enriched meal.

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2 GENERAL NEWS

Farmers ask for 'maize parliament'

RDM. 8/10/79

③ maize

BOTHAVILLE. — Hundreds of maize farmers have asked the South African Maize Producers' Institute to give its active support to a farmers' plan for the election of an autonomous "maize parliament".

The plan comprised the election of a 20-member "maize parliament" on a regular production basis, Sampi said in a statement.

"The parliament will be the highest authority in the maize industry and will be recognised as such by the Government," according to the statement.

Sampi said enthusiastic support for the plan had been received during a series of meetings in the western Transvaal,

the Free State and Natal.

Independent maize farmers as well as Sampi had attended the meetings, the statement said.

The idea of a "maize parliament" was conceived three months ago by a group of Eastern Transvaal farmers who approached their Sampi neighbours to help them formulate a plan to end the 13 years of strife within the maize industry.

"The maize parliament will compose its own constitution and be completely autonomous, although the general feeling is that it should be affiliated to the South African Agricultural Union," the statement said.

Sampi was in the meantime to continue its present activities "on more or less the same line as political parties operating within a wider scope of national politics".

Sampi said the farmers who had formulated the plan were reacting to a call by the Minister of Agriculture, Mr Hendrik Schoeman, earlier this year after the "failure of his maize peace plan".

Mr Schoeman had not yet commented on the plan for a "maize parliament", but a Middelburg action committee had explained the plan to Sampi's executive and had obtained Sampi's unqualified support the statement said. — Sapa.

Maize producers look uneasily at rather unhappy

(3-Maize) Star 18/10/79

Sampi (the SA Maize Producers' Institute) distrusts Samsó (the SA Maize Speciality Organisation). Samsó distrusts Sampi. Neither trusts the Minister of Agriculture. All the while time ticks away and the process of change goes on.

At high school, our agricultural science teacher taught us about the maize production triangle: Lichtenburg, Lydenburg, Ladybrand. In the field of maize politics, the love-hate triangle is Sampi, Samsó and the Minister of Agriculture.

It all started in the 1960s. The Minister of Agriculture was Dirk Uys, who used to tell complaining farmers that the Government, really, did not need them any more to stay in power.

Farmers had to accept that produce prices would be fixed without any reference to cost of production, or else they could just go and lump it.

It was, then, the high noon of a day on which farming was right at the bottom of the list of social and political priorities.

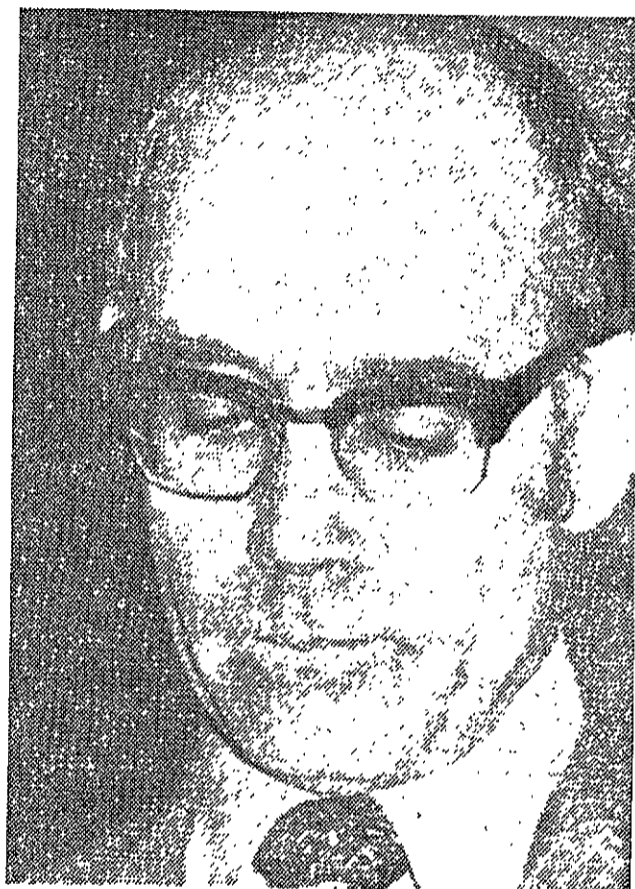
In the bad seasons of that decade, many small and medium farmers were forced to throw in the towel. The migration of farmers to the cities gathered momentum. But the Government was so excited about its current industrialisation programme that even senior economists in the Department of Agriculture had joined in the "Dump-the-farmer" chorus.

Too far

The farmers fought back, of course. But they needed a platform, a vehicle for action.

Maize farmers were worst hit, partly because Government pressure on food prices was heaviest on maize, partly because maize farming had become almost a monoculture. The committee system successfully developed by the agricultural unions on the assumption that farming was a diversified industry, did not find much patience with maize farmers, who saw the writing of bankruptcy on the kraal wall.

They may have gone too far in their demands, and the disagreement



Mr F R Tomlinson, director of Samsó.

which followed led to the establishment of the South African Maize Producers' Institute (Sampi) in April 1966.

The dispute dragged on, and while it may have served Mr Uys well, his successor, Mr Hendrik Schoeman, first saw it as an embarrassment. He tried to create a single organisation in 1975, but after 7 000 maize farmers had joined, he made a sudden turnabout and abandoned his scheme.

The following year he tried again, after the agricultural unions had established a speciality organisation of their own, Samsó. An election was held among all maize farmers, which however ended in stalemate.

Mr Schoeman stepped in by recognising only Samsó, which meant that only Samsó received the organisation levy paid by all maize farmers.

After this softening-up process, in February 1979, he reopened negotiations with Samsó and Sampi, soon narrowing the gap of disagreement down to a few insignificant points, when he made another turnabout, suddenly abandoning his maize unity project when he was on the verge of succeeding.

The matter was left in mid-air, to the anger and frustration of the maize farmers.

Echoed

Two significant developments, however, created a new situation. Sampi, cut off from funds and recognition, was radicalised into a true "change agent" in the sense of modern sociological idiom.

It echoed the impatience of maize farmers, indeed of all groups of farmers, who had become fed-up with a socio-economic trend relegating agriculture to the gallery of events. Farmers sought what could be termed a process of social change, re-affirming their rights and identity.

Meanwhile, Samsó was a perfect "lobbying agent" in terms of the same idiom. A brilliant Maize Board economist, Mr F R Tomlinson, became its director, and within weeks the authorities were confronted with a waterproof argument for a much higher maize price.

In the course of discussions, the Minister's economists were provided to have made numerous serious errors, over a number of years, in the

the cost of raising the necessary funds has to be taken into account.

(c) to know the effectiveness of a given amount of money when spent

group? But community care is a good thing in itself. The practitioners are very at to muddle

Programme budgeting, also known as budgeting by objectives, involves t...

	W		A		C		B	
	M	F	M	F	M	F	M	F
0-1	0,17	0,08	0,10	0,21	0,78	0,29	0,49	0,48
1-4	0,01	0,01	0,00	0,00	0,07	0,10	0,05	0,05
5-24	0,02	0,01	0,03	0,01	0,04	0,03	0,05	0,05
25-44	0,11	0,09	0,39	0,10	0,41	0,19	0,23	0,22
45-64	0,92	0,42	1,60	0,72	1,31	0,67	0,80	0,68
65+	1,00	0,00	51	2,44	1,91	0,75	1,44	0,91
ALL			13	0,16	0,33	0,17	0,25	0,20
NO.			16	56	370	201	533	329

Maize price shocks for 1980

Farming Correspondent

The maize price to be fixed next year would reflect a rise in production costs and would come as a shock to consumers, the Director of Samsco, Mr F R Tomlinson said today in Pretoria.

Inflation was running unchecked in the prices of farm requisites, he said. Since the 1979 price of maize was fixed, production costs had increased by 25 to 30 percent, depending on the area and the type of farming. Fuel costs had gone up by 145 percent, and the cost of fertiliser by 17 percent.

How much the cost of production would have risen by the time of the next cost survey in six months was anybody's guess.

The authorities would have no choice but to compensate the farmer for his cost increases.

Inflation in farm costs ran much faster than the general price index, usually taken as the barometer of inflation.

Moreover, the farmer was compensated only at the end of the season which caused a liquidity strain when cost rises were rapid, Mr Tomlinson said.

	W		A		C		B	
	M	F	M	F	M	F	M	F
0-1	0,02	0,03	0,00	0,10	0,25	0,10	0,04	0,06
1-4	0,01	0,01	0,02	0,00	0,12	0,14	0,02	0,04
5-24	0,02	0,01	0,04	0,04	0,02	0,04	0,03	0,02
25-44	0,02	0,05	0,06	0,09	0,17	0,13	0,06	0,08
45-64	0,23	0,19	0,44	0,37	0,36	0,36	0,34	0,25
65+	1,25	1,09	1,07	1,83	1,57	1,10	0,73	0,56
ALL	0,13	0,15	0,11	0,12	0,15	0,14	0,10	0,08
NO.	276	303	38	42	169	165	203	130

	W		A		C		B	
	M	F	M	F	M	F	M	F
0-1	1,57	0,76	0,60	1,03	1,24	0,79	0,89	0,74
1-4	0,05	0,04	0,05	0,05	0,05	0,02	0,04	0,05
5-24	0,01	0,00	0,01	0,01	0,01	0,02	0,00	0,00
25-44	0,00	0,00	0,00	0,00	0,00	0,01	0,00	0,00
45-64	0,01	0,00	0,00	0,00	0,00	0,00	0,00	0,00
65+	0,02	0,01	0,00	0,00	0,00	0,03	0,00	0,00
ALL	0,04							
NO.	87							

	W		A		C		B	
	M	F	M	F	M	F	M	F
0-1	12,46	9,07	16,92	11,55	29,22	24,78	23,16	22,23
1-4	0,02	0,02	0,02	0,02	0,02	0,04	0,04	0,00
5-24	-	-	-	-	-	-	-	-
25-44	-	-	-	-	-	-	-	-
45-65	-	-	-	-	-	-	-	-
65+	-	-	-	-	-	-	-	-
ALL	0,25	0,17	0,48	0,32	0,83	0,67	0,55	0,67
NO.	519	359	170	113	942	785	1143	1075

Maize: the staff of peace

RDM
12/12/79
3 Maize
ZK

SOUTH Africa's ability to export food, and agricultural and other technology is the foundation on which the Prime Minister could build his constellation of Southern African states.

In most African countries food production is shrinking, while populations continue to rise, necessitating the importation of bigger and bigger quantities of food to relieve the constant threat of hunger and famine.

And the strategists say no-one should underestimate the power of mealie diplomacy.

Marxist-dominated African states get little from Russia outside of the raw materials for unrest and revolution. In most years, Russia is unable to feed its own population, and has to import massive quantities of grain from the United States, Canada, and wherever else it is available.

In Southern Africa, it is only South Africa and Rhodesia at this stage in history which have the ability to produce food surplus to their own needs.

This is a powerful strategic weapon but care, the experts warn, must be taken to ensure that it is not used in such a way that this country could be accused of attempting to drive satellite states into economic bondage.

South Africa makes regular maize exports to the BLS countries — Botswana, Lesotho and Swaziland — at local prices, and consumers in these countries enjoy the same subsidies as South Africans.

This year, after hush-hush, discreet negotiations, South Africa agreed to supply 200 000 tons of maize to Zambia.

South African maize also finds its way to Zaire to supplement pathetically inadequate local production.

But it is not only food that this country is sending to the African states. The most recent trade figures illustrate remarkable increases in total value of exports to the African continent.

No breakdown is available of the overall figure — it would embarrass some states if the extent of their trade with this country was known — but in the first ten months of this year, exports to the rest of the continent increased by more than 30% to R597,5-million, compared with the January-October period the year before.

The Minister of Agriculture, Mr Hendrik Schoeman, stresses that in the Southern African survival struggle, food is as important as guns. This is why prices must be set at a level where farmers will be encouraged to expand production.

Mr Schoeman says: "Full grain silos will mean we can talk and negotiate from a position of strength. With rising populations all around us, more and more black states will depend to some extent on this country for basic foods.

"It is strongly in our interests that we should be able to meet the demand."

High levels of food production will be a key factor in lengthening the odds against instability, and encouraging greater co-operation — providing there are parallel political developments — in Southern Africa.

South Africa's power to forge links of peaceful understanding along the lines of the Prime Minister, Mr P W Botha's constellation of states ideal is, according to experts, granular rather than nuclear. **GERALD REILLY** of the "Mail's" Pretoria Bureau reports

Stressing the growing importance of the agricultural industry in total survival, Mr Schoeman says people would rather have food than guns.

"When you get down to basics, full bellies are more important than full ammunition pouches."

The area planted under maize in "white" South Africa over the past ten years has been stable at about 4,5-million hectares.

The Department of Agriculture and other farming authorities believe, however, there is little scope for horizontal expansion.

Perhaps the area could be stretched to 5-million hectares, but this would be the ceiling.

So hope for the continued expansion of production rests entirely on high yielding cultivars, and constantly improving cultivation techniques.

And bigger crops are being produced year after year because seed quality is constantly improving, and more enlightened farming methods are being used.

The economist of the South African Mealie Specialist Organisation, Mr F R Tomlinson, says between 1970 and 1978, yields increased by just over 50% when compared with the previous eight years.

South Africa's biggest maize crop — the size is obviously dictated by weather conditions — was 11,1-million tons in 1974.

This, with local consumption taking up 6,5-million tons, left a substantial nearly 5-million tons for export.

However, Mr Tomlinson says that trend lines indicate that a

"normal" maize crop is about 9,5-million tons under current conditions.

He stresses the increase in maize production is far greater than the population increase, which is estimated to be about two and a half per cent a year.

Current trends also indicate the per capita consumer demand for maize is steadily declining as living standards of the lower income groups — they are the big maize consumers — rise, as they clearly are in the urban areas, the move is towards more "luxury" foods — bread, rice, potatoes and animal products.

Mr Tomlinson says it is virtually impossible with a product like maize, where the size of the crop is dependent on so many variables to extend the trend lines beyond ten years.

"But up to that point at least, South Africa will be in a position to export maize, and possibly in quantities greater than are available at present."

However, technology developments during the next few years, including seed with even higher yield and drought resisting qualities, should ensure South Africa's ability to continue to grow exportable surpluses of maize.

The former head of the Institute for Strategic Studies at the University of Pretoria, Professor Mike Louw, says food and other assistance to Southern African states should form the core of the Prime Minister's constellation policy.

"There should be a leverage built into this policy which would make these nations want

to co-operate with South Africa, if only for the material advantages."

He believes the Government should make widely known its complete willingness, not only to relieve hunger, but to provide technical aid in food production and other fields.

South Africa will have to start from scratch. It has never been in the aid-giving business on a large scale. What is needed is a body like Britain's Ministry for Overseas Development.

This could be an advisory council representative of the relevant State departments headed by an executive director, with a full-time secretariat to administer a sub-continental assistance policy. This would give a credibility to the constellation exercise.

South Africa is in a position, Professor Louw says, not only to export food to Southern African states unable to produce enough food for their own needs, but to supply, better than any European power, the technical know-how, for instance, to combat devastating animal diseases like foot and mouth and Ngana.

The brown locust is again menacing parts of Central Africa.

South Africa has a vast experience in combating locust plagues, and it is in areas like this where the country can provide a know-how and expertise which no European country can match.

Professor Louw says that strategically, it is vitally important that South Africa should demonstrate its ability and readiness not only to relieve hunger and starvation in the proposed constellation area, but that it was doing this in a spirit of co-operation, and not to create a degrading and slavish dependency on South African aid.

The senior lecturer in strategic studies at the University of South Africa, Mr Deon Fourie, says in the long term if South African aid is coupled with political change — as seemed to be envisaged — an economic interdependence will develop which could make the constellation concept work.

In this way common interests, which could lead directly to a common concern in maintaining peace and stability, could be forged.

And South Africa is already playing an important role economically in Southern Africa.

Zambia, for instance, Professor Fourie says, is dependent on South Africa for mining equipment. Zambia looked to other supplies, like West Germany, but supplies from these areas were found to be prohibitively expensive.

Besides South Africa is more easily available and cheaper for maintenance and installation work.

But the most pressing need in Southern and parts of Central Africa is, and will remain till the end of the century and beyond, food.

The skill and discretion with which South Africa uses this powerful strategic weapon could shape the pattern of relationships in Southern Africa for the next generation.

No. R. 2830 21 December 1979
CUSTOMS AND EXCISE ACT, 1964
AMENDMENT OF RULES (No. DAR/27)

Under section 120 of the Customs and Excise Act, 1964, the Schedule to the rules published in Government Notice R. 1771 of 5 October 1973 is amended by—

the substitution in paragraph 7 under the heading "Cape Town Special" in subparagraph 3 for the hours during which the Mispion Gate may be used on Monday to Friday of the following:

"Monday to Friday, from 05h30 to 27h30"

D. ODENDAL, Secretary for Customs and Excise.

Note.—The time of entrance to and exit from the dock and wharf area through the Mispion Gate on Monday to Friday is extended by 30 minutes.

No. R. 2830 21 Desember 1979
DOEANE- EN AKSYNSWET, 1964
WYSIGING VAN REËLS (No. DAR/27)

Kragtens artikel 120 van die Doeane- en Aksynswet, 1964, word die Bylae by die reëls gepubliseer by Goewermentskennisgewing R. 1771 van 5 Oktober 1973 gewysig deur—

in paragraaf 7 onder die onskrif "Kaapstad Spesiaal" by subparagraaf 3 die tyd wanneer die Mispionhek vanaf Maandag tot Vrydag gebruik mag word deur die volgende te verang:

"Maandag tot Vrydag van 05h30 tot 27h30"

D. ODENDAL, Sekretaris van Doeane en Aksyns.

Opmerking.—Die tyd van ingang na en uitgang van die dok- en laaigebied deur die Mispionhek op Maandag tot Vrydag word met 30 minute verleng.

DEPARTMENT OF HEALTH

No. R. 2839 21 December 1979
FOODSTUFFS, COSMETICS AND DISINFECTANTS ACT, 1972 (ACT 54 OF 1972)
REGULATION ON ENRICHMENT OF MAIZE MEAL

I, Lourens Albertus Petrus Anderson Munnik, Minister of Health, in terms of section 15 (1) read with section 15 (7) (b) of the Foodstuffs, Cosmetics and Disinfectants Act, 1972 (Act 54 of 1972), hereby make the following regulation, to be effective from the date of publication of this notice:

"Any person shall be guilty of an offence if he sells maize meal described as enriched maize meal unless—

(a) such maize meal contains not less than 10 mg of nicotinamide and 1 mg of riboflavine per 400 g of maize meal;

(b) the nicotinamide and riboflavine added to the maize meal is of either BP (British Pharmacopoeia) or USP (United States Pharmacopoeia) standard;

(c) the nicotinamide and riboflavine, independently or mixed together or with the maize meal, are packed in light-resistant packages; and

(d) the enriched maize meal bears a label conforming to the nutrition labelling requirements of subregulation (29) (I) (a) under Government Notice R. 908 of 27 May 1977".

DEPARTEMENT VAN GESONDHEID

No. R. 2839 21 Desember 1979
WET OP VOEDINGSMIDDELS, SKOONHEIDSMIDDELS EN ONTSMETTINGSMIDDELS, 1972 (WET 54 VAN 1972)
REGULASIE OOR VERRYKING VAN MIELIEMEEL

Ek, Lourens Albertus Petrus Anderson Munnik, Minister van Gesondheid, vaardig hierby, kragtens artikel 15 (1) saamgelees met artikel 15 (7) (b) van die Wet op Voedingsmiddels, Skoonheidsmiddels en Ontsmettingsmiddels, 1972 (Wet 54 van 1972), die volgende regulasie uit wat met ingang van die datum van publikasie van hierdie kennisgewing van toepassing is:

"Iemand is aan 'n misdryf skuldig indien hy meliemeel wat as verrykte meliemeel beskryf is, verkoop, tensy—

(a) sodanige meliemeel minstens 10 mg nikotienamied en 1 mg riboflavien per 400 g meliemeel bevat;

(b) die nikotienamied en riboflavien wat by die meliemeel gevoeg is van BP (British Pharmacopoeia) of USP (United States Pharmacopoeia) gehalte is;

(c) die nikotienamied en riboflavien, onafhanklik of vermeng, of met die meliemeel vermeng, in ligwerende pakkette verpak is; en

(d) die verrykte meliemeel van 'n etiket voorsien is wat aan die vereistes ten opsigte van nutriënt-etikettering voldoen soos bepaal in subregulasie (29) (I) (a) uitgevaardig kragtens Goewermentskennisgewing R. 908 van 27 Mei 1977".

No. R. 2848 21 December 1979
SOUTH AFRICAN PHARMACY BOARD

REGULATIONS RELATING TO THE PRACTICE OF PHARMACY, THE CONDUCT OF THE BUSINESS OF A PHARMACIST AND THE TARIFF OF FEES PAYABLE TO A PHARMACIST IN RESPECT OF PROFESSIONAL SERVICES RENDERED BY HIM

The Minister of Health has, in terms of section 49 (1) (a) of the Pharmacists Act, 1974 (Act 53 of 1974), on the recommendation of the South African Pharmacy Board, substituted the following regulations for

No. R. 2848 21 Desember 1979
SUID-AFRIKAANSE APTEKERSRAAD

REGULASIES BETREFFENDE DIE BEROEPS-GEREBUIKE VAN DIE APTEKER, DIE DRYF VAN 'N APTEKERSAAK EN HUL TARIEF VAN GEELDE WAT BEPAALBAAR IS AAN 'N APTEKER TEN OPSIGTE VAN PROFESSIONELE DIENSTE DEUR HOM GELEWER

Die Minister van Gesondheid het kragtens artikel 49 (1) (a) van die Wet op Aptekers, 1974 (Wet 53 van 1974), op aanbeveling van die Suid-Afrikaanse Aptekersraad, die regulasies betreffende die tarief van

AGRIC. - Maize

1980

Minister acts for hawkers

2/17/80
2/6 ③ MIEL.

By Lynda Loxton
Municipal Reporter

Take heart, illegal mealie hawkers looking for a better deal: the Minister of Agriculture is on your side.

Mr Hendrik Schoeman has written to municipalities urging them to work with farmers to find a more practical way of licencing hawkers.

The hawkers have to meet stringent requirements if they want to avoid harassment by local authorities and most, in fact, operate illegally.

"This makes it difficult for the farmers to ensure that their mealies are sold,

and a group of them asked me to write the letter," said Mr Schoeman today.

Mr D R Rengger, Johannesburg's chief licence officer, said today he had received the letter.

His department, the City Health Department and the Traffic Department are now investigating the situation and will draw up a report.

Mr Schoeman dismissed as "ridiculous" reports that he was the leading farmer involved in hawking mealies illegally in the city.

"I know that a lot of

hawkers say the mealies they are selling belong to me, but that is just to get out of trouble. Anyway, my mealies are not even ripe yet," he said.

The chairman of the Johannesburg City Council's management committee, Mr J F Oberholzer MPC, said today "there is no truth whatsoever in the reports that Mr Schoeman is selling mealies illegally in Johannesburg.

"We have investigated the matter.

About 10 illegal mealie hawkers are arrested each week, and none have said they are in his employ."

19

2.3.4 Balance sheet problems

Hendriksen argues that one of the principle objections to LIFO is that inventories are consistently being understated.¹⁴ After the application of LIFO for many years, the inventory valuation, assuming a trend of rising prices, tends to become meaningless as it grossly misstates the current inventory valuation.

The apparent effect of LIFO on working capital reveals a weakening structure whereas in real terms there is actually a strengthening of the working capital position.

Example 6

LIFO is applied for the first time during the current year and the LIFO adjustment (being the difference between the FIFO valuation and LIFO valuation of end of year inventory) is R10. The tax rate is 40%. Assume a bank balance of R20 and that tax is paid therefrom.

3-Maize

MAIZE production in the existing and proposed homelands of southern Africa averages less than one-tenth of that in white areas, and it seems that nothing that has been done since the turn of the century has had much effect on this ratio.

This is the view of Dr F W Fox, a senior chief research officer with the South African Institute for Medical Research in Johannesburg.

He considers the situation to be very serious and says that on its resolution depends the ability of the homelands to feed themselves in the years ahead.

Article

In an article in the South African Medical Journal he explores the situation, describes how it came about, and suggests some remedies.

The average yield of maize in white areas is just under two tons a hectare. On the highveld, this rises to 2,3 tons. By contrast, in Bophuthatswana, the yield is 0,3, while in Lebowa it drops to 0,1 and in Vondaland to a minute 0,06 tons a hectare — 60 kilograms compared to 2 300 on the highveld.

As a result, the homelands are largely dependent for their basic foodstuff on imported maize grown on white farms.

To understand the outlook, motives and order of

Remedies to improve maize growth

priority operating in a culture so different from our own is not easy and is more puzzling when conditions are changing so fundamentally and so rapidly.

'Yet an attempt should be made to understand why the production of maize is so inadequate, if only because the need to do better is so urgent,' says Dr Fox.

He first of all rules out geographical factors as the cause of the disparity in black and white production.

Humid

No less than 76 percent of the homelands, when completed, will lie in that part of South Africa classified as humid, with an annual rainfall of 500 mm or more.

Findings to date indicate that 10 percent of these areas will be suitable for arable farming, while half of this should be of high production potential.

In the last named areas, maize yields of three tons a hectare should be obtained.

If this was the case in the Transkei, total production would be more than a million tons a year, instead of the present 100 000.

The low yields, says Dr Fox, are mainly due to the poor techniques employed. But successive governments since the time of Union have been trying to introduce improvements with little success.

Such figures as are available do not indicate any noteworthy increase in production over the years.

Dr Fox says that at the root of the problem is the human factor and the unwillingness to depart from old ways and customs.

This is not something confined to the blacks of southern Africa but is characteristic of peasants world over.

and suspicions — whether real or imaginary — of undesirable consequences which far outweigh the unconvincing benefits promised.

But in the homeland context, there are other less obscure reasons that must be recognised, says Dr Fox.

These include the deeply rooted tradition that tilling the soil is woman's work. Although men still generally do the ploughing, the rest is up to the women. But they also have to run the home and care for the children. Can they be expected to carefully cultivate a maize plot as well?

However, that women will do the work is something Dr Fox accepts. He suggests that they should have more farm training both at school and college and that thought should be given to the creation of women extension officers.

Even in areas where men do take a hand in the fields, the age-old system of land tenure is not conducive to enterprise. Land is chosen

and allotted by the chief and conformity is the rule.

Individual initiative is discouraged or may be actively opposed as it tends to undermine the chief's authority.

Poor storage facilities can discourage the production of grain much in excess of current requirements, while at the same time the improvidence of the poor is notorious.

'The desirability of providing for the future, so natural to us, is an idea entirely foreign to them.'

Should a harvest, by luck, be exceptional, it may even seem unnecessary to go to the trouble of planting for the next year.

Panaceas

Dr Fox does not offer any instant panaceas for the situation. Official feeling, he says, is that the stage has been set for the more rapid agricultural development that is so desperately needed.

This can best be achieved in an atmosphere of peaceful co-operation brought about by economic and political stability. Mutual trust, goodwill and proper understanding of one another's needs, aspirations, culture, motives and abilities are all of the utmost importance.

He concludes by saying that the future now rests with the homeland leaders, and hopes that they will be determined to devise an agricultural policy that will be meaningful to the humblest of their food producers — usually a woman.

The importance of this factor and the difficulties it presents are emphasised over and over again when planners get together.

But he questions if this is entirely fair.

This one-sided condemnation of the peasant is all very well, but may he not have similar feelings about the planners? Have sufficient efforts been made to fathom the reasons why he fails to respond as he ought to? For reasons there must be.

What may seem to be a simple change may be unacceptable for a variety of reasons: it may affect some age-old tradition, or arouse reservations, fears

THE SCHOENHARDT AND SON PREFERENCE.

The economic case for maize or sunflowers

112/80 DD 3 (maize)

Sunflowers cannot operate with maize under optimum conditions, Dr P Blamey, crop scientist of the Natal Region, said.

Dr Blamey found that under optimum conditions maize yields of six tons a hectare can be obtained while sunflower yields would only be 2,5 t/ha. The revenue from maize would therefore be about R600/ha and from sunflower R450 ha.

From an economic point of view, however, sunflower could compete with maize under sub-optimum conditions since sunflowers were more drought-tolerant.

The choice of sub-optimum soils could be made on the basis of soil depth, high clay content and others, but should exclude soils prone to erosion.

Sunflower may also be grown in situations where maize could suffer from drought through poor rainfall distribution. However, Dr Blamey pointed out that should

the drought be severe, sunflower yields would also be reduced. In addition, sunflowers had a shorter growing season than maize and were also more sensitive to soil acidity.

The acid saturation should not exceed five per cent for sunflowers, compared with 25 per cent of the nitrogen needs of

maize for optimum yields, but that the phosphorous requirements were similar.

Dr Blamey said particular attention should be paid to the molybdenum treatment of sunflower seed. It was also sensitive to a boron deficiency. To correct this borax should be applied at a rate of 10 kg/ha on sandy soils and 30 kg/ha on heavy soils.

GRAIN PROSPECTS

Back to normal

3 Maize
F.M. 12/1/80

The country's grain output is set for a return to healthier levels, after a poor 1979/80 season, according to agricultural experts.

It is still early in the season for farming experts to put their heads on the block over crop forecasts, but indications are that agricultural production is expected to shift up to at least the levels of 1977 and 1978 if not beyond.

The largest single crop is maize. Last year, total production dropped from 10,3mt to just under 8mt. This year, says SA Maize Specialities Organisation (Samsa) director Freek Tomlinson, output should rise to between 9mt and 10mt. SA Agricultural Union (SAAU) economists agree that this is a realistic estimate at the moment, although drought conditions still plague many of the major western planting areas.

At the same time, however, local trader Kahn and Kahn reckons that, given ideal conditions for the rest of the season, maize output could equal or surpass the record 11,1mt of the 1973/74 season. Other independent houses are looking for a harvest at even higher levels — up to 11,5mt. They reckon that forecasts of under 10mt from Pretoria are set deliberately low for price fixing purposes.

The maize price for the coming season will be set in the last half of April. So far, the only indication of what to expect is that insurer Sentraoes is apparently working on a basis of R125/t, compared to last year's price of R102/t. If this is a true measure — and last year the co-op was almost bang on target — the almost 25% rise is going to have consumers back to the Minister's door in no time.

Sentraoes systems manager Malcolm Maclachlan points out that Sentraoes has no influence on the final price fixing and that the insurance price is no more than a "mature guess." Last year, he adds, the company was 5% out in its estimate.

Tomlinson claims that the increase is justifiable. Again, the blame lies on fuel cost hikes, with diesel, he says, a hefty 145% up on the price during the last growing season. Other input costs, including fertiliser, have risen much more than the consumer price index, he adds, and the last lean year hit farmers hard.

Fortunately for SA, in the face of US President Jimmy Carter's boycott on grain sales to the USSR and good crops in many other areas of the world, maize export prices have held up remarkably well.

"Whatever Carter is doing to withhold the extra grain from the market seems to be working," says Tomlinson, "and the average price for the export year which ends in April this year should be around R110/t, compared to R96/t in the previous

year."

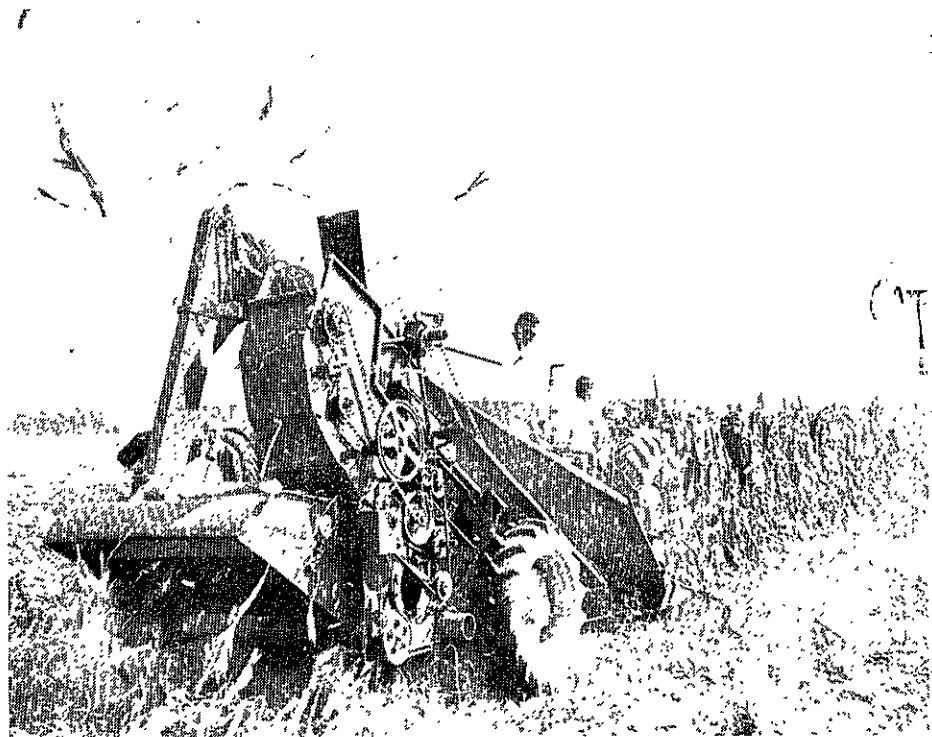
Moves in the US to restrain sales of grain to Iran have also unsettled the market and as one trader puts it, "all SA traders stopped dealing with that country — except for (independent exporters) Raphaely's."

Benas Levy, head of Raphaely's agricultural commodities division, retorts that "rumours going round the market that all the company's exports are destined for Iran are completely erroneous."

But despite good overseas prices, SA's exports — at just over 2,5mt — were so small that the stabilisation fund, which stood at R9,7m at the beginning of the season, is now expected to be in the red. Tomlinson points out that his original forecasts on the stabilisation fund put it as much as R27m on the debit side, but the

Elsewhere in the farming sector, groundnuts are expected to make a strong recovery from last year's poor 131 000t crop and there are rumours among producers that output could hit a record 360 000t. Kahn and Kahn forecasts a harvest at what is probably a more realistic level of around 250 000t. Demand should still exceed supply, according to the Department of Agricultural Economics and Marketing, with a strong export market predominating.

Sunflower seed production, despite a sudden flurry in the middle of last year when it was suggested that sunflower oil be used as a partial solution to the fuel crisis, should be at pretty much at the same levels as in 1979 — around 320 000t. Kahn and Kahn is again at variance and reckons the general consensus of opinion



Harvesting maize . . . food, fuel or sweetener?

firm world market at least allowed SA to avoid a deficit of this size.

There are two alternative markets for SA maize in the offing, say economists, the first arising out of government's recent decision to allow the development of ethanol. Although sugar is a more efficient producer of ethanol, maize has useful high-protein by-products in the form of animal feeds.

The other alternative outlet for maize is in fructose, used as a cheaper sweetener than sugar. Coca-Cola in the US recently authorised a switch in production methods to fructose and expects savings of up to \$23m a year. Local cold-drink manufacturers take up as much as 10% of SA's sugar output.

These two alternatives, however, certainly won't affect the market this year.

is that the sunflower seed crop could be as much as 20% below last year's.

Sorghum also appears set for a promising year, especially in the eastern Transvaal and Free State and production should exceed last year's 365 000t — marketers reckon it could reach as much as 600 000t.

The sorghum market, however, is difficult, with local demand dropping steadily and the export market very much weaker than local producer prices. There has been, as a result, a major shift out of sorghum and into maize over the last few years.

This promising trend in agricultural production, along with rapidly rising gold and non-gold mineral exports, both underline expectations of another excellent year for the South African balance of payments.

Food costs to soar if ^{Staw 20.2/80} farmers win ^{3 (Maize)} maize rise

By Charlene Beltramo
Farmers seem set to ask the Government to increase the maize price by 27 percent in April.

Such an increase will have a major effect on the prices of basic food-stuffs such as butter, eggs, poultry, dairy products, meat, maize meal and animal feeds.

Dr Jan Lombard of the Meat Board said that if maize increased to R120 a ton from the present price of R102, the price of beef would have to go up 40 percent.

However, maize farmers point in justification to price increases of 14,3 percent for fertiliser last year, and 17,1 percent this

year. Fertiliser accounts for 33 percent of maize production costs.

Even more serious is a minimum anticipated loss of R100-million on maize exports this year.

Surplus over the five-million ton consumption figure for maize is traditionally exported.

This year a better than usual crop, of nine million tons is expected.

A spokesman for the South African Maize Producers Institute, said this loss would have to be carried by consumers if surplus were not converted into ethanol.

He said the export loss would be a direct result of the United States cancelling its 4-million ton

grain contract with the Soviet Union.

"The Government has already said that it will not, in turn, supply Russia," the institute spokesman said.

"The international market will be flooded. American farmers sell their maize for R80 a ton — R22 cheaper than we do — and although it is inferior, they will dump it on the world market."

Maize export losses would have a tremendous effect on the economy.

Consumer groups have appealed to the Government to take whatever steps it can to keep maize prices down.

● Page 5: Gold price may stem bread price increase.

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policy will be given and in the final section an effort will be made to show what part the three agricultural departments play to compensate for the effects of the agricultural policy.

IMPLEMENTATION OF AGRICULTURAL POLICY

In order to implement agricultural policy and to fulfil the needs of the agricultural sector, a number of measures have been designed. The administration and implementation of these measures devolve mainly on the agricultural departments, namely the Department of Agricultural Economics and Marketing, the Department of Technical Services and the Department of Agricultural Credit and Land Tenure. Contributions are also made by the Land and Agricultural Bank of South Africa, the Department of Water Affairs, the Department of Bantu Administration and Development, and Departments that provide public services. The services and facilities concerned more directly with agriculture are divided into nine categories: (1)

(i) Soil and water conservation

In regard to the natural resources, soil and water, there is a long-term policy of conservation and their effective utilization and improvement, as contained in the Soil Conserva-

Maize rise plea is unrealistic

Stat 2/2/80, 3 (Maize)

The South African Agricultural Union has attacked the SA Maize Producers' Institute for being "unrealistic" in asking for a 43 percent price rise for maize.

Mr. Johan Willemse, economist for the SAAU said although farmers would like such an increase, the economy and consumers would be unable to bear such a high price burden.

He did not think that Sampi had any chance of their price wish being acceded to, "because they are not officially recognised by the Government."

He said Sampi, "was only barking in the wind." However, he conceded that such an excessive price request would possibly condition consumers to an exorbitant increase and make them readier to accept a marginally lower price.

"If the Government is only prepared to give farmers enough to cover

production costs, an increase from R102 a ton to about R125 a ton would be necessary. However, more would be needed to keep farmers on the land and use them to combat insurgence in rural areas."

Mr Willemse said if the price went up to "R143" a ton, consumer demand would drop. Export losses would also be higher.

At present, export losses stand at about R30 to R40 a ton — which would have meant a minimum loss of R60-million on last year's export of more than two million tons of maize.

At a higher price, losses would probably rise to about R80 a ton, Mr Willemse pointed out.

As an example of how Sampi's proposed 43 percent rise would affect the economy, Mr Willemse said dairy products would cost at least 15 percent more, as a direct result.

Meat farmers, in turn, would press hard for price rises of 50 percent to 60 percent.

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ie R20,01 to R25 range,

ie R25,01 to R30 range,

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e worker received a fixed percentage

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farmer to amount to R400 in a good year.

whose job was hunting and others, could

uses by killing those animals classified

in' or 'predators'. At the time of

this survey, farmers were paying from R10 to R20 for the pelt of a lynx or red jackal, 50c to R1 for the pelt of a silver jackal or grey cat and 5c for a dassie pelt. One professional hunter earned R130 in this way, apart from his cash wages, last year.

(c) Wages in kind.

An attempt was made to list all payments in kind made to workers and to ascribe an 'objective' value to as many of them as possible. The two major exceptions are housing and firewood, which have not been included in the calculations.

The main items supplied to workers were: meat, milk,

opportunities for the securement of post-employment subsistence consumption under the recently inaugurated compulsory... Provision

Grain merchants hit back over report

maize
Ston
3/26/80

By Stephen Suckley
An article in "Die Landman," the official publication of the South African Maize Producers' Institute

(Sampi), drew criticism from grain merchants in Johannesburg this week.

An editorial article in the publication said South Africa stood to lose more than R100m this year on the export of maize an amount which would be better put to use in deriving fuel alcohol from maize.

But grain merchants reacted by saying that in today's political climate, especially on the African continent, Maize was possibly more important than oil.

STAPLE FOOD

Certainly if South Africa were to stop exporting even though it does export at a loss — countries in Africa would suffer.

As one merchant explained maize is the staple food of Africa. The Republic exports to Zambia and Mozambique and South African maize probably filters into other African countries as well. If exports were curtailed people would starve. And who is to say that in the future we may not have to supply Rhodesia with maize?

There is a great deal of thought being expressed on turning crops into fuel but South Africa should rather look at sugar and cassava in this regard, he said.

Grain merchants agreed that the country could show a loss of R100m on maize exports this year.

South Africa obtains

the best prices it can for its maize under the tender system. World prices are currently around the R190 a-ton mark for white maize and a good deal less for yellow maize.

It is roughly estimated that after payment to the farmer and all other attendant costs, the amount of railing one ton of maize to coastal elevators is in the region of R130 a ton.

At this level a small profit would be made on white maize but yellow maize is currently being exported at a loss.

But it can be fully expected that the price to the farmer will increase by 15 percent this year while railrage costs will probably go up by a similar amount.

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of the total labour requirements'. This instance of labour policy reflects the articulation of forms of accumulation found more generally in the economic system.

(ii) UNPAID HOUSEHOLD LABOUR-TIME NECESSARY FOR SUBSISTENCE

The family members of the worker's household may deploy their labour time on the plantation in various ways which, apart from 'housework', are necessary for subsistence but are unpaid. These activities, insofar as they do not merely contribute to 'discretionary consumption', viz. consumption above the minimum necessary level, enable employers to avoid the full costs of reproduction of labour.

One important institutionalised practice on Rhodesian plantations which facilitates this relationship is the allocation of 'tillage land' to workers, on which crops and vegetables are usually grown. This may be an important supplement to food consumption at certain times of the year, though on average the yields are probably low. The cultivated area under 'tillage land', which in 1973 was used as a (temporary) 'means of production' by farm workers on Rhodesian farms, probably involved about 72 866 hectares of land. (33) That this acreage is not inconsequential may be gathered from the fact that in the same year there were 89 834 hectares under cultivation in all African Purchase Lands in Rhodesia (the privately owned land area constituting some 10 per cent of all African land). It also contrasts with the fact that in 1965 (latest data published), the number of hectares under cultivation on European farms was just less than half a million.

On ranches the practice of allowing workers to keep beasts (usually cattle) on the land is widespread. The returns to the worker from this practice are then used to supplement earnings. However, in the forestry/fishing industries, the environment is often such that only small areas of 'tillage land' are allowed, if at all. Thus the value of this non-earnings source of income can vary from area to area and between one branch of production and another.

R100m³ maize loss on RDM 29/2/80 maize forecast

Pretoria Bureau

SOUTH Africa is heading for a massive loss of more than R100-million in exporting surplus maize next season, according to authorities

And just who is going to make good the loss — the Government, the producer or the consumer — is now under discussion at a meeting of the South African Maize Specialist Organisation (Samsa) in Pretoria.

Samsa is expected to make a recommendation to the Government before the new season starts on May 1.

But a deputy governor of the Reserve Bank, Dr A S Jacobs, said yesterday there was a strong feeling among producers that the consumer should help meet the export loss by paying

more for maize products.

This year's crop was expected to be about 25% larger than last year's below-average 7 800 000 tons.

Dr Jacobs, who was chairman of the commission which reported recently on the financial plight of farmers, said that in a crop of more than 9-million tons, about 3 500 000 tons would be surplus to the country's needs, and would have to be exported

And it was possible that the exportable surplus would be bigger than this.

Under present world market conditions — and there were no indications, even in the medium term, of any marked improvement — a loss of at least R25 a ton could be expected

If the maize price was increased as expected in May, the loss could be even greater, Dr Jacobs said.

The slump in world maize prices was a direct spinoff from a political decision the United States Government to cut off grain supplies to the Soviet Union.

This had created a mountain of grain surplus worldwide.

Dr Jacobs said the Maize Board's stabilisation fund, used to cushion export losses, would end the season with a deficit of R4 300 000

The Government would have to decide how this was to be compensated for, and how the fund was to be built up again to meet the expected export losses next season.

The chairman of Samsa, Mr J Basson, said at the organisation's meeting that the maize industry was expected to earn about R450 000 000 in foreign exchange during the current financial year

This year's crop would be about 9 000 000 tons. However, there had been big drought losses in white maize-growing areas.

This was a severe setback to the industry, as white maize was currently selling at R80 a ton more than yellow maize on export markets.

The Department of Agriculture's first maize crop estimate for the season is expected only late next month.

US estimate of SA maize

WASHINGTON. — South Africa's maize crop this year may be above the early February forecast of 10 million tons as a result of favourable growing conditions, says the US Agriculture Department.

Only a severe, though localised, drought early in the season may prevent South Africa from setting a maize crop record, says the department.

③ MAIZE

RDM 3/3/80

MAIZE PRICE

Schoeman's choice

③ Maize
Rm 7/3/80

Jimmy Carter's ban on the export of US grain to Russia has come at an inconvenient time for SA maize farmers. Unless Russia finds some clandestine way of buying more wheat and feed grains, the world markets for maize and cereals could remain sluggish for some time.

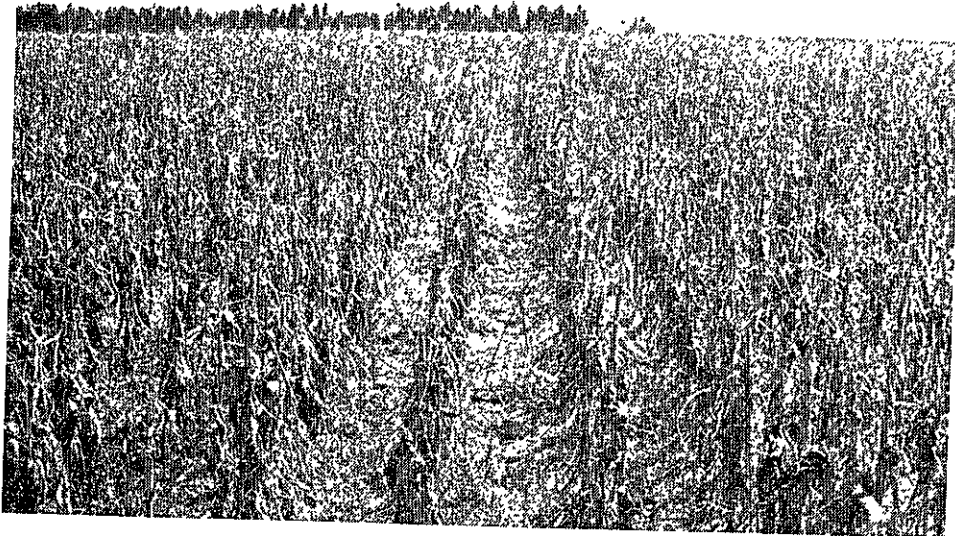
Since most of the major grain exporters have already agreed to go along with the American boycott, it seems unlikely that the Russians will be able to replace more than a fraction of the estimated 14m t which Carter's decision will cut off.

Meanwhile a firmer rand and weaker

to wipe out the whole of the R17m reserve which was in the stabilisation fund at the beginning of May. The board expects to end its year, on April 30, with a deficit of R4,3m in the fund.

Although the current crop is unlikely to be a record one, most commentators are already predicting that it will be above average. The first official yield estimate is not due until the middle of the month but the planted area estimate of 4 618m/ha is marginally up on last year and the weather, particularly in the eastern and central parts of the maize triangle, has been kinder than usual. At last week's Samso congress, chairman Faan Basson was talking of an 8,9 Mt crop. But other commentators, including Sampi's Dr Pieter van der Dussen, say they are still hoping for 10 Mt. Even after allowing for build up of local stocks, that would leave well over 3 Mt for export.

Under the circumstances, Agriculture Minister Hendrik Schoeman will find it difficult to justify more than a token hike in this year's net price to producers. An



Maize . . . a better than average crop this year

dollar work jointly to the detriment of SA's export prices in competitive world markets. The most recent export price fetched by SA yellow maize was R107,21/t (fae) for two cargoes put up to tender by the Maize Board on February 21. That is more than the R102/t gross producer price paid here by the Maize Board for last year's crop. But the premium is not nearly high enough to cover the R32/t which it now costs to cart maize from the main producing areas and put it alongside the elevators in East London.

So each tonne sold now has to be subsidised out of the stabilisation fund administered by the board. The almost depleted fund is financed mainly out of compulsory farmer levies deducted from the gross producer price and now needs to be replenished: last year's poor crop left SA with less maize to export than usual. Even so, the export losses have been sufficient

increase of, say, 10% in the gross producer price (to R112/t) would leave the Maize Board looking for about R100m to cover "export" losses. To recoup that sum, without recourse to borrowing or additional government subsidies, it would be necessary to raise the stabilisation levy from the current R1,55 to at least R10/t.

The 10% increase in local selling prices would thus be whittled down to less than 2% in the producers' price.

In spite of their bigger crops, few maize farmers will be content with such a small increment. Sampi has already indicated that it would like to see producers getting R143 if the crop is 10 Mt. It wants even more per tonne for a smaller crop. That would entail pushing local selling prices through the roof.

On political as well as economic grounds the option simply doesn't exist. Any addition of more than about 12% t

15% in selling prices would upset meal and meal purchasing stock farmers (who rival maize sellers in numbers) almost as much as it would annoy urban consumers.

Anyway, it must be questionable whether it is in SA's interest long-term to allow the domestic maize price to get too far out of line with that in other exporting countries.

Fortunately, Schoeman has ways of getting himself off the hook. The first and most obvious let out, would be to raise the price of white maize by more than that of yellow. The narrow export market for white maize served mainly by SA and Rhodesia has been buoyant recently. The last cargo went for a lucrative R191,01 t. So a higher local price could be justified.

Furthermore, the north western Free State, the production area most heavily dependent on white varieties, is also the one which has been least well blessed by this year's weather. So a price premium on white maize would end up in the hands of many of the farmers who need it most. A larger price differential would please the stock farmers too, because they feed yellows.

The second let out, and one on which both the minister and the agricultural unions are already working, is to attack production costs instead of prices. The 7,5% import surcharge on farm machinery is one expense that disgruntled maize farmers reckon they could do without. The suspected inefficiency of a protected and cartelised fertilizer industry is another.

But it is to Finance Minister Owen Horwood that Schoeman is likely to turn first. A bigger subsidy? An export incentive? An injection into the stabilisation fund? Or support for moves to achieve lower transport costs?

Farmers told not to become too hopeful over maize fuel

By JEREMY BROOKS

IT WAS clear the Government would not allow fuel alcohols derived from agricultural products to compete freely with petrol, says the chairman of the South African Maize Producers Institute, Mr S Ferreira.

In a statement issued from Bothaville, Mr Ferreira said the time when maize was regarded merely as a staple food, rather than as a valuable resource, was past.

Recent Press reports following an announcement by the Minister of Energy Affairs concerning fuel alcohols created the wrong impression in that

they said the way was now open for the large-scale production of fuel from agricultural products," he said.

"Close study of the full text of the Minister's statement shows that this is in fact not the case."

Mr Ferreira said the emphasis in the statement fell on alcohols derived from coal, while the fermentation of agricultural crops was seen only as a side-line.

"The statement makes it clear that alcohols will not be allowed to compete freely with petroleum. It is also clear that agricultural products, as a source of alcohol, will have to

play second fiddle to coal and other sources in the already restricted area which has been set aside for alcohols.

"It is unreasonable and unacceptable that the Government should protect petrol and coal interests in this manner at the cost of agriculture."

Mr Ferreira said this policy differed widely with that of the US, where the producers of alcohol from grain were being subsidised.

"The Government, at the very least, should guarantee that all taxes derived from the production of grain alcohols will be ploughed back into the industry," he said.

Record losses on maize forecast

(3) raise
20/3/80

Pretoria Bureau

EXPORT losses on yellow maize next season will reach a record level of R180-million — and the consumer might have to pay at least part of this, according to Government sources in Pretoria.

The first official estimate of the 1979-80 maize crop by the Department of Agricultural Economics and Marketing is 10 100 000 tons — with 6 262 000 tons of yellow maize forming the bulk of it.

This means the remainder of around 3 800 000 tons will be just enough to meet the domestic demand for white maize.

Just who will be responsible for meeting the huge loss will have to be decided by the Government.

It could be the Government, the farmer or the consumer, or a combination of all three.

Losses suffered in the past 12 months have drained the Maize Board's stabilisation fund — and at present it is R4 200 000 in the red.

The general manager of the Reserve Bank, Dr A S Jacobs, said the present loss on export yellow maize was about R25 a ton.

However, with the expected increase in the maize price at the end of April, it was likely that the loss would rise to at least R45 a ton.

Dr Jacobs, who was chairman of the Commission on the Financial Plight of Farmers, which reported recently, said this would mean a massive total loss of R180-million.

The farmer's contribution to the stabilisation fund was at present R1,55 a ton.

To replenish the stabilisation fund to a level where it would be able to absorb the export losses would entail a producers' levy of about R18 a ton.

This would wipe out most of the expected price increase, and leave the farmer little better off than he was now.

Meanwhile the S A Maize Specialist Organisation (Samso) meets tomorrow and Friday to determine its price recommendations for the crop.

These will be submitted to the Maize Board on Monday.

Agricultural authorities estimate the rise in maize production costs during the past 12 months at between 25% and 30%.

So producers are assured of a price increase in excess of 20%.

However, unless the Government agrees to contribute and the consumer price is loaded to feed the stabilisation fund, much of this will be lost.

The last time the consumer contributed to the fund was in 1972.

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162004R	SURNAME	SUZU	162384E	1	(8)	162384E
158955C	CAHO	SALL	155931H	1	(57)	155931H
162195Z	CHAIT	CHER	158919N	7	(49)	158919N
153965D	CLARKE	PEWE			(49)	
157789K	COHEN	DAVI			(49)	
156503M	COLLIER	LINDS			(35)	156415R
153999D	COLLINS	BEVER			(48)	162310Z
153621E	COUCHEK	ROBER			(57)	161480X
158572X	COURTENAY	COLETT			(57)	153863T
153796V	DAVIS	CASSAN			(55)	152866J
140457W	DELAHUNTY	ANNA I			(52)	157359T
162384E	DOMAN	MICHAEL			(54)	152866J
155931D	DU PLESSIS	MARCIA			(58)	157359T
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162310Z	EVANS	READ			(58)	152866J
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153863T	FAROUHAR	DEKORAH			(58)	152866J
152866J	FARRELL	MICHAEL BRUCE			(58)	152866J
157359T	FINLAY	PAMELA JOUAN			(58)	152866J
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UJET

Rhodesia forced to ^{(3) maize} import SA maize ~~RD~~ RD 21/3/80

By CHRIS FREIMOND
'Mail' Africa Bureau

SALISBURY. -- Faced with a 30% shortfall in the estimated maize crop, a drought and possible food shortages, Rhodesia has been forced to import white maize from South Africa for the first time in 15 years.

The cost of the maize, sent to Bulawayo, was R156 a ton compared with R93 a ton paid to local producers. Enough to last three weeks has been bought as a precaution against shortages later this year.

The imports were described yesterday by the manager of the Grain Marketing Board, Mr J D Pearson, as "insurance for the future".

There was a "seasonal" high consumption rate and Rhodesia

could not afford to run short, he said.

The hectareage allocated to maize by Rhodesian farmers has declined steadily in recent years from 277 000 in 1978 to 190 000 last year.

Farmers have become increasingly dissatisfied with maize prices. In May last year, there was an outcry when a pre-planting price of R82 a ton was announced.

After near rebellion by maize farmers, the price was upped to R90.50 and then again to R93.70 with an added R6 a ton for increased production.

Many farmers warned that unless steps were taken to reorganise the maize sector, and make production attractive to farmers, production would

slump so low that the government would be forced to import white maize at a far higher price than they were prepared to pay local producers.

Apart from falling production, a severe drought has hit many maize areas and the total crop is expected to be 30% less than that originally anticipated.

Rhodesia has imported yellow maize as stock food for a number of years, but white maize, the staple diet of most Rhodesians, has been produced locally in sufficient quantities since UDI in 1965.

Last week the Grain Marketing Board announced bonuses for farmers who delivered their maize earlier than usual and also increased the maximum permissible moisture content of the grain.

EXAMINATION RESULTS IN FACULTY ARTS YEAR : 1

STUD NO	SURNAME	FIRST NAMES	COURSE	DESCRIPTION
152163V	VAN NIJKERK	MURIEL DIANNE	107101	ENGLISH I (PRE-I)
159757Z	VAN WAGENINGEN	ANNEMARIE	107101	ENGLISH I (PRE-I)
155815P	VISSER	ANNE-LIZE	107101	ENGLISH I (PRE-I)
153767N	WACHER	GUY STEVEN	115102	FRENCH INTENSIVE
160780L	WESSELS	CHARLENE	107101	ENGLISH I (PRE-I)
158400Z	WHITAKER	ANDREW	909105	GEOLOGY IA (HALF
115228Y	WHITING	ROBERT GEORGE CURZON	107101	ENGLISH I (PRE-I)
157399L	WILLSHER	MELANIE GABRIELLE ROSANNE	115101	FRENCH I
154408K	WOLFE	ANGELA KILWARDEN	004101 004101 103202 107101	SOCIOLOGY I PSYCHOLOGY I SOCIAL ANTHROPOLOGY ENGLISH I (PRE-I)
159697J	WOOD	NICHOLAS	107101	ENGLISH I (PRE-I)
155858L	WYNGAARD	GAVIN WILLIAM ERIC	103202 115101	SOCIAL ANTHROPOLOGY CULTURAL HISTORY

* TOTAL NUMBER OF STUDENTS 137

DEAN

UJCT

56 58 60 62 64 66

1 3 5 7 9 11 13 15 17 19 21 23 25 27 29 31 33 35 37 39 41 43 45 47 49 51 53 55 57 59 61 63 65

Maize subsidy

③ Maize
now
R50m

THE ASSEMBLY — The subsidy on maize was to be increased by R10-million to R50-million, Senator Owen Horwood said yesterday.

He said the subsidy on maize provided for in the estimates was initially reduced from R50-million to R40-million.

But due to the detrimental effect that the reduction might have on consumer prices, Sen Horwood proposed that an amount of R10-million be added.

For the same reason it appears to be justifiable to provide an additional subsidy of R1 500 000 for dairy products, he said.

And, since the country's wheat surplus was currently being exported at a considerable loss, ways had to be found to supplement the Wheat Board's stabilisation fund.

The Government has agreed to the imposition of a levy on millers equal to the total value of their bran sales.

This will mean that the price of wheaten meal and flour will have to increase accordingly.

But to prevent the consumer having to pay a higher price for the final product, I wish to provide an additional R7 500 000 subsidy to neutralise the price effect of the bran levy, Sen Horwood said. — Sapa.

UCT

* Cannot graduate H Dip Lib as she has failed B.A.

REGISTRAR (ACADEMIC)

STUD NO	SURNAME	FIRST NAME	COURSE	DESCRIPTION	SYMBOL	PAGE
14340	BACHELOR OF ARTS/HIGH DIP LIBRARIAN.	YEAR : 4				1
113860L	HARTLEY	JENNIFER ANNE	104202 111706	ANATOMY II PRINCIPLES OF LIBRARIANSHIP	(41) (50)	5
TOTAL NUMBER OF STUDENTS 1						
DEPT						

MAIZE

fm 4/4/80 (360)
Under the counter
3 maize

Is SA giving Zimbabwe a special deal on maize? Maize Board GM Hendrik du Plessis Nel categorically denies reports from Salisbury that SA has sold 50 000 t of white maize to Zimbabwe at reduced prices.

Although Zimbabwe imports South African yellow maize, this would have been the first import of white maize since 1965.

But no such sale has taken place in the last two months, says Nel.

The Maize Board has, however, answered enquiries from trade sources by explaining that the maize was sold in January for R156/t. It suggested that the news media picked it up recently because the transportation of the maize has only just begun.



Maize Board's Nel . . . there's been no sale

A senior official of the Grain Marketing Board in Salisbury confirmed that a sale did take place. He said a one-off purchase of South African white maize had been made to provide buffer stocks against the possibility of delayed deliveries by farmers—delays caused by late rains and the aftermath of war.

Between 30 000 t and 40 000 t (the amount is still under negotiation) of maize was bought at Rh\$125/t (R156/t) adds the spokesman.

However, it appears unlikely that the sale was concluded in January, since the average tender price received by the Maize Board in that month was just under R140/t, well below the R156 paid by Zimbabwe.

This is, in fact, borne out by an employee of the Maize Board, who confirms that a sale of slightly less than 50 000 t was concluded between the two boards in February at between R130/t and R140/t — substantially lower than the R185 average tender price received by the Maize Board for that month.

In this case the figure of R156 cited by the Zimbabwe Grain Marketing Board would probably include transport costs, estimated to be about R20/t between Bulawayo and up-country South African silos, since sources indicate the maize was sold on a "delivered-Bulawayo" basis.

Maize price rise set to hit consumers

RDM 16/4/80. (244) (3) Maize (3) Dairy

By GERALD REILLY
Pretoria Bureau

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THE consumer prices of maize products are expected to go up by between 20% and 25% from the beginning of May.

The Maize Board meets the Minister of Agriculture, Mr Hendrik Schoeman, next Monday and the Cabinet is expected to approve the new price at Tuesday's routine meeting.

The higher maize price will generate a new wave of food price rises and coming on top of last month's big bread price rise, will impose further hardships on the lower income groups.

Among the wide range of food prices which will be directly affected are meat, pork, poultry and dairy products.

A Meat Board spokesman said the higher maize price would obviously be taken

into account when a new floor price for beef was fixed in June.

Maize was a major factor in production costs of beef, as well as in the pork, dairy and poultry industries.

Dairy farmers are already clamouring for higher prices because of rocketing costs and substantial increases in the prices of milk, butter and cheese are expected to be imposed from June 1.

One source said yesterday if dairy farmers were to be compensated for increased costs, the price rises would have to be at least 20%.

It is understood that maize farmers' net increase is likely to be about 15%.

The current crop is expected to be slightly in excess of 10 000 000 tons.

This will leave a surplus of about 3 500 000 tons for export.

Under existing overseas market conditions, taking

into account the coming maize price rise, losses on each ton could exceed R35 which would involve a total loss for the season of about R140 000 000.

The Maize Board does not have the resources to meet the loss. Its stabilisation fund is already in the red to the extent of R5 000 000.

A big levy is, therefore, expected to be imposed on producers, which will cut deeply into the increased price.

Economists pointed out yesterday that the big maize price rise, taken with the higher bread and wheat product prices last month, would have a strong inflationary influence.

They pointed out too, that the increase of R10 000 000 to R50 000 000 in the maize subsidy announced by the Minister of Finance in last's months Budget would have only a marginal effect on prices.

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8.

The S A Institute of Management has requested the Board to consider recognising its Diploma in Advanced Management as an entrance qualification for higher degrees. To do this in terms of University legislation the Diploma would have to be recognised by the Senate as having equivalent status to

RECOGNITION OF THE DIPLOMA IN ADVANCED MANAGEMENT

An appropriate letter of thanks has been sent to this company.

- Accounting A : R45 plus books to the value of R20
- Accounting B : R50
- Accounting C : R55

Burrughs Machines Limited have, with retroactive effect to 1979, increased the value of the annual prizes offered by them to the top students in accounting courses. Each prize has been increased by R20. The new prize structure is:

BURRUGHS PRIZES

As I shall be away from the University from 28 March to 8 April 1980, I have, on behalf of the Board recommended that Prof. J R P Morris be appointed Acting Dean for this period.

ACTING DEAN

The following items are submitted for information :

SECTION B

SA may lose R150m on maize exports

(WM) 17/4/80. (3) Maize 74

Pretoria Bureau

SOUTH Africa will have to export a massive mealie surplus of more than 3 500 000 tons this year -- at a possible loss of more than R150 million, according to economic authorities.

However, they point out that there are a number of vital reasons why South Africa cannot afford to risk producing only enough for its own needs. One is the strategic importance of "mealie diplomacy" in a hungry Southern Africa.

Mr Deon Fourie, senior lecturer in strategic studies at the University of South Africa, said the country's food surpluses had a strong potential political and strategic value.

"Food surpluses can be used as a political lever, or as a means to buy the goodwill of

countries unable to feed their own populations."

The chairman of the commission which reported recently on the financial plight of farmers, Dr A S Jacobs, said there were good reasons why South Africa should continue to cultivate maize on the present scale.

The most compelling, perhaps, was the extremely variable climate, which could affect crops by up to 40%.

With its fast-expanding population -- especially in the lower income groups -- South Africa could not afford to limit maize cultivation to an area which, under favourable conditions, would yield only sufficient to meet domestic needs.

The risk of a serious shortage -- which could mean having to import maize at inflated prices -- was too great.

Dr Jacobs, general manager of the South African Reserve Bank, said the problem of what to do with land where maize had traditionally been grown was another factor. In most of these areas, there was no viable alternative crop.

He pointed out, too, that maize yields in South Africa even in what could be considered a normal season, were low. In the United States, yields averaged 11 tons a hectare, in South Africa about 2½ tons.

Dr Jacobs said two other important factors were the foreign exchange earned by maize exports, and the strategic importance of being able to export to supplement inadequate production in other Southern African states.

A revised budget (if you think revisions are called for), adhering as far as possible to the same order as that used for the data above, showing which job you (as a director) prefer, with short notes explaining your guiding principles and any calculations. Both jobs would last 12 months; no other jobs are being done or are likely to be offered.

Required:

- (b) Manual labour is hired locally from week to week.
- (d) All the plant needed for Southampton has been owned for some years. £1,600 is the year's depreciation (straight-line) in the financial accounts. If the Hull job is taken, less plant will be required, and the surplus items will be hired out for the year on similar work at a rental of £750. Interest is based on a memorandum entry, at 5% of original cost, in the cost records.
- (f) Office and general expenses amount to about £1,800 every year.

Maize surplus to cost R150m?

3 maize
D.S.
17/4/80

202

Alchian & Allen: Exch
Prod

Joint, Team Production

We examined specialization in chapter; now we examine another hanced output, teamwork. People w people or with other people's resou produce something. Two of us, pilot, operate an airplane. Two of steel mill, I as crane operator, you controllor. Threo of us operate a fi helmsman, as engineer, and handl Four people perform surgery on surgeon, anaesthetist, surgical aid ing nurse. Five lawyers work tog case jointly creating their strategy) increased output from joint phys effort is taken as a fact that ne plaines here. (We need not expla why two people pushing a car ca than one person could push it fo. Instead we examine how people are guided to teamwork, on a team that is known as a *business firm*. We also inquire into what influences how those firms are organized and internally controlled, and how each member's reward (pay) is determined. We first examine a few control techniques; we assume temporarily that all possible participants are identical in ability.

In exploring these basic issues, we can ignore features such as whether the enterprises are small or large, unionized or nonunionized, conglomerate or single-product, local or multinational, new or old, retailing or manufacturing, corporation or proprietorship. We pass over administrative problems like how to select personnel; to plan production schedules; to arrange for

PRETORIA — South Africa will have to export a massive mealie surplus this year of more than 3,5 million tons at a loss which could exceed R150 million, according to economic authorities.

They point out, however, there are a number of vital reasons why South Africa cannot afford to risk producing just enough for its own needs, among them the strategic importance of mealie diplomacy in a hungry Southern Africa.

The senior lecturer in strategic studies at the University of South Africa, Mr Deon Fourie, said the country's food surpluses had a strong potential political and strategic value.

"Food surpluses can be used as a political lever or as a means of buying the goodwill of countries unable to feed their own populations.

He stressed, however, that mealie diplomacy could only be effective where concern about the political and social effects of the spread of hunger existed.

The chairman of the commission which reported recently on the financial plight of farmers, Dr A. S. Jacobs,

said the extremely variable climatic conditions in South Africa could result in a crop variation of up to 40 per cent.

South Africa with a fast expanding population, especially in the lower income groups, could not afford to limit its maize plantings to an area which under favourable conditions, would yield just sufficient to meet the domestic need.

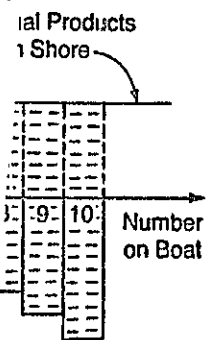
The risk of serious shortages, and of having to import maize at inflated prices, was too great.

Dr Jacobs, general manager of the South African Reserve Bank, said the problem of what to do with land which had been traditionally planted with maize was another factor. There was in most areas no viable alternative.

He pointed out, too, that maize yields in South Africa, even in what could be considered a normal season, were low.

In the United States, for instance, yields averaged 11 tons a hectare to South African yields about two and a half tons.

Maize is exported to Zaire, Zambia, Mozambique, Lesotho, Swaziland and Botswana. — DDC.



purchases, storage, keeping tax and accounting records; to persuade politicians on proposed legislation or regulation; and an incredible array of varied tasks that occupies a businessman's time.

To isolate essentials, assume that 1000 similar people in a community do nothing but fish from the shore, each always catching four fish daily no matter how many people fish. A boat is found; some can now fish out on the ocean. Everyone is interested only in how many fish are caught; fishing from shore or a boat is equally pleasant or arduous. Table 9-1 summarizes the details. The discoverer and sole user of the boat catches

Maize expected to rise by 18 pc

5-17/4/80 Maize

Fair Deal Staff

A maize price increase of about 18 percent is expected to be gazetted tomorrow by the Minister of Agriculture, Mr Schoeman.

Oil, margarine, animal feed, chickens, meat, eggs, milk will all rise substantially as a result.

But for consumers such an increase will have a breathtaking effect. A supermarket spokesman is already making dire predictions that food inflation will top "at least 25 percent this year."

The crop estimate for this season is 10,1-million tons — only one million tons less than the record crop of 1974/75 and the third biggest ever.

Mr F R Tomlinson, general manager of Samsco, the Government-recognised maize body, said earlier concern about poor exports no longer applied.

"We won't be able to take advantage of the

R191 a ton white maize is fetching on the international market — as all our white maize will be consumed in SA, but we will be exporting 3,3 million tons of yellow maize which is fetching at least R137 a ton on the world market," he said.

A price rise of 18 percent would lift the price of maize to R120 a ton, R7 less than farmers say they need to make ends meet.

The Star's Pretoria correspondent says dairy, meat and poultry farmers' production costs will go up within six months of the expected May 1 maize price rise.

A spokesman for the South African Agricultural Union said today the price rise would apply only to maize that had spent three to six months in silos.

Dairy farmers might recoup some of the increase through increased product prices but it was unlikely meat and poultry farmers could.

aga opens with the public and the boat owner's rights, public property for public use owner's personal profit.

ing enough (or the boon of catching more than enough) fish to pay for the day's rent and have at least four fish. If the boat owner hires the fishermen, he (the employer) bears the risk for the day on which he has guaranteed the fishermen at least four fish. Why do we emphasize "day"? To see, look again at the rental case: The rent set the following day for use of the boat will be adjusted to match the expected net catch. If the rent is set per day, the fishermen lose only one day's error in estimated catch. But the boat owner will suffer or enjoy the entire future projected changes in catch, as profits or losses in the value of his boat. The boat owner cannot escape projected future change—not even by selling off his ownership, because the new buyer will adjust his offer price to take all that into account. By making short-term rental arrangements, the renters who use the boat avoid being stuck with an unexpectedly bad future. As employees, on the other hand, they are always guaranteed four fish, which they could always catch from shore, regardless of the fortunes on the ocean deep. You can probably conjecture that if the boat were for sale it would be bought only by a person who was more optimistic about the potential catch, or who thought he knew better than anyone else how to use the boat so as to take advantage of the

But someone must make a difference. F tant point is the identical methods, renting and about performance. Uncertainty about t produces a major difference boat, renters bear the

The entire situation could be described differently. Instead of saying fishermen rent the boat, we could say the boat owner hires the fishermen. In the latter case, he must pay them four plus a emigcon of fish each, to fish on his boat while he keeps the total catch, minus those wages. Of a total catch of 34 fish with five people, each is paid four fish, a total wages bill of 20 fish, leaving him 14 fish. There is no difference in this example between fishermen renting the boat or the boat owner hiring fishermen as employees! Is there, then, no difference between Macy's hiring clerks as employees or the clerks renting Macy's building and facilities and paying rent (and inventory-use costs) to the owners out of the total daily sales—leaving the clerks with the same income in either case? No difference, if there is certainty about the output performance.

employees or renters?

is used, that is, how many are allowed on board, and (b) he is allowed to charge a price for access to the boat, and (c) keep the receipts. A private-property scenario permits those conditions. Private ownership of firms is dominant in most non-socialist countries and will be examined in more detail later.

(the condition for increasing ARA), as income increases the

new C* position will be absolutely closer to the 45° line in

comparison with original C* -- and absolutely farther from

the 45° line in the case of decreasing ARA.

Assumptions about absolute and relative risk aversion are of-

ten critical in determining the optimal response to an increase in

the riskiness of a decision-maker's environment [Rothschild and Sti-

glitz 1971]. Since a general discussion would require a relatively

long technical development we shall consider only a simple illustra-

tion.

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Increase in price of mealies will be known today

By GERALD RIBILLY
Pretoria Bureau

THE new price of mealies will be announced today, according to a spokesman for the Maize Board.

The increase could be the largest in a series of basic food price shocks authorised by the Government in the past few weeks.

Mealie meal is the staple food of the mass of the country's low wage earners.

Though no official confirmation was available, it is expected the consumer price will rise by 20% to 25% today.

Farmers' net increase, because of a substantial levy to replenish the Maize Board's stabilisation fund -- in the red to the extent of nearly R5-million -- is expected to be 15% "or even less", one source in Pretoria said last night.

The fund will have to be built up to a level where it can compensate for the big losses expected on export maize in the new season starting in May.

The estimated loss on the 3 500 000 tons expected to be

available for export will be about R150-million, say authorities.

There is no indication at this stage that the Government intends supplementing the subsidy -- it was increased by a meagre R10-million to R50-million in the "golden" budget -- to neutralise at least part of the higher consumer price.

Angry reaction to an increased maize price is expected from consumer organisations, the trade union movement and Opposition politicians.

All recommended strongly recently that basic foods such as bread and mealie meal should be exempt from General Sales Tax. But the recommendations were ignored in the Budget.

Farmers are also expected to protest if, in fact, their real increase is 15% or less.

Increased production costs during the past year have risen in some areas by as much as 20%, mainly because of fuel price and fertiliser price rises.

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3 Maize

MEAL DEAL
FM 18/4/80 3 (Maize)
Maize Board GM Hendrik Nel has responded to an allegation that SA made a "special" maize deal with Zimbabwe (FM March 28). Nel has repeated his denial that any beneficial deal was made and asserts that the prices estimated by the FM were completely wrong. He declines to provide further information, commenting only that: "Under no circumstances will we enter into a special deal with anyone, because we're not playing Father Christmas!"

Maize price rise will affect all

5-7-48

3 March

(b) Manual labour week.

(d) All the plants owned for production (s... If the Hull... required, for the year... Interest is original cost

(f) Office and £1,800 ever

Required:

A revised budget (if you think as far as possible to the showing which job you (as explaining your guiding principles would last 12 months; no other to be offered.

Fair Deal Reporter

The 20.4 percent maize price increase announced by the Minister of Agriculture today will have a devastating effect on basic consumer goods.

Consumers' budgets will be shattered by this heavy increase which follows the recent rise in the price of bread (20 percent for white and 25 percent for brown).

Eggs and sugar recently rose by 2 percent.

Earlier this year, Dr Jan Lombard, general manager of the Meat Board, said that if maize rose to the price announced by the Minister today — R120.40c a ton — meat prices would have to rise 40 percent to the producer. This would mean an increase of at least 30 percent for consumers.

Maize forms 80 percent of poultry feed and the price for this and eggs will rise accordingly. Eggs will go up by at least six cents a dozen.

Maize forms 60 percent of the input costs for pork and lamb and both will rise from their already high price levels.

About 45 percent of cooking oil is made from maize and the price of this commodity will soar. Margarine will also reflect a high price rise.

Maize meal will cost consumers about 10c/kg more.

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CT. 19/4/80

Maize meal 3-Maize price may rise by 20 percent

MAIZE MEAL can be expected to jump in price by about 20 percent within weeks, along with a wide range of other goods, after the Maize Board price increases announced yesterday by the Minister of Agriculture, Mr Hendrik Schoeman.

The rise, coupled with other increases in basic commodity costs, could be expected to have a ripple effect on prices throughout the country, according to economists who said that maize was the feedstock for goods from milk, margarine and cooking oil to poultry, eggs and meat.

Reacting to the increase, Checkers marketing director, Mr Harold Greenstein, said the minister should be launching an investigation into the question of administered food prices in South Africa.

He warned that the tax relief granted in the Budget would be more than negated by rising prices at a time when unemployment, particularly among blacks, was high.

"The Department of Statistics has shown that the volume of food sales has declined at an average rate of 5.7 percent a year since 1977." Per capita consumption of maize and maize products, and of wheat and wheat products had shown a decline but the population had not.

"The minister of health should be very concerned about the consequences of the price increases of basic commodities on the health of the nation," he said.

Mr Schoeman said the bulk maize price had been increased by R20.40 to R122.40 a ton to compensate producers for rises in production costs. The producers would contribute R3.98 a ton on white and R6.98 on yellow maize to the board's stabilization account in order to meet possible deficits on the export market.

The government had decided to increase the existing R50 million maize subsidy by R10 million.

"Any further shortfall on the export account which may arise during the marketing season will be financed by means of a government guaranteed loan not exceeding R75 million," he said. Interest on the loan at four percent, would entail a further effective subsidy of R3 million a year.

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3388 + 24 = 4012
3384 + 30 = 4014
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3368 + 32 = 4000
3364 + 27 = 3991
3360 + 21 = 3981

Net	Social	Average	Marginal	Total	Number of
	Product	Product	Product	Catch	Men on Board
	(on board)	(on board)	(on board)	(on board)	
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2	6	+6	+6	6	1
4	8	+8	+10	16	2
2	7.5	+6	+8	24	3
0	6.8	+4	+6	30	4
				34	5
				36	6

Table 9-1. Catch of Fish on Board *

Mealie rise will hit the blacks hardest

Wm 19/4/80. (3) maize (244)

By GERALD REILLY
Pretoria Bureau

THE 20% rise in the price of maize announced by the Minister of Agriculture yesterday could have a disastrous effect on the living standards of thousands of black families and push up the cost of many other foods.

Consumers can brace themselves for ripple increases in the price of red meat, pork, poultry, eggs and dairy products, as well as canned and processed foods.

Leading economists said the inflation outlook had seldom been bleaker. Food was a major item in the

consumer price index, and a swift escalation was feared.

The head of the Graduate School of Business Administration at the University of the Witwatersrand, Professor Gideon Jacobs, said the maize increase and other price rises in the past month would push the inflation rate well beyond 14%.

Also of serious concern was the further hardships higher-priced basic foods would impose on the lower income groups, and the effect this would have on the major urban areas.

The chief economist of Barclays Bank, Dr Johan Cloete, said the inflation outlook was bleak.

"If you add to the food price rises the inflationary impact of the big wage increases in the public and private sectors, and the severe shortage of skilled workers, then the rate can only accelerate," he said.

The secretary of the National Union of Clothing Workers, Mrs Lucy Mvubela, said: "It's wicked. Don't they realise hunger is spreading in the townships, and that unemployment is virtually unrelieved?"

She appealed to employers to compensate black workers with increases for the recent food price rises.

"The so-called 'Golden Budget' has meant nothing

to us. In fact, we are far worse off now than before."

The SA Council of Churches' ombudsman, Mr Eugene Roelofse, said the Government had callously ignored the plight of the country's poor when it authorised the maize price rise.

He claimed that the disgracefully cheap labour used on farms should have made a decrease in the price possible.

"The black man cannot make his stomach smaller. And hunger is the result if he is unable to afford — as thousands won't be able to afford — adequate supplies of mealie meal at the new price."

○ In announcing the maize price increase, the Minister said that to avoid a special contribution from consumers, the Government would grant another R10-million to support the stabilisation fund, in addition to the R50-million subsidy.

© See Page 3

they will affect the optimal deposit/capital decision. Obviously, the costs of these activities have to be balanced against their returns. See Baltensperger (1972 b), Baltensperger and Wilde (1976). Another possibility is the explicit incorporation of regulations and legal restrictions. Some authors discuss the bank's deposit/capital decision in terms of a framework relying exclusively on regulation. See, e.g. Mingo and Wolkwitz (1977), Santomero and Watson (1977). Such an approach, although important in a context with deposit insurance, is less basic than the one outlined above.

Pringle (1974) has also discussed the bank's capital decision, but in a different model which disregards insolvency cost as well as service production cost C, which were stressed above. His model treats the problem essentially as one of liquidity and, under the assumption of exogenous (but stochastic, controllable) deposits and a less than perfectly elastic demand function facing the bank. The bank can obtain real funds, however, in the form of equity capital, at a

12/4/80

SA to hedge maize

THE MAIZE Board will enter into limited price hedging transactions on the Chicago Grain Exchange for yellow maize only, says the chairman, Mr Ben Wilkens

The existing tender system and quantities offered will not be affected by the futures market transactions.

The board does not intend to speculate

The transactions will be on a highly selective basis and will be carried out only if the board is convinced it can take good positions on the futures market. The main aim will be to increase export realisations and reduce export losses, he says.

~~MAIZE~~
The new policy has been accepted by the Minister of Agriculture, Mr Hendrik Schoeman.

The board's transactions will be carried out only for price fixing and futures contracts will be liquidated against the sale of physical maize by tender for export

Required:
 A revised budget (if you think revisions are called for), adhering as far as possible to the same order as that used for the data above, showing which job you (as a director) prefer, with short notes explaining your guiding principles and any calculations. Both jobs would last 12 months; no other jobs are being done or are likely to be offered.

- (f) Office and general expenses amount to about £1,800 every year.
- (d) All the plant needed for Southampton has been owned for some years. £1,600 is the year's depreciation (straight-line) in the financial accounts. If the Hull job is taken, less plant will be required, and the surplus items will be hired out for the year on similar work at a rental of £750. Interest is based on a memorandum entry, at 5% of original cost, in the cost records.
- (b) Manual labour is hired locally from week to week.

'Maize Board bungle' has cost millions'

By GERALD REILLY
Pretoria Bureau

THE South African Maize Producers Institute bitterly attacked the Maize Board yesterday for its total lack of planning and inability to advise the Government.

The board's disastrous inability to plan, said the director of Sampi, Dr J Gouws, had cost mealie farmers tens of millions of rand in lost income this year.

Dr Gouws said the Government had ignored Sampi's plea at the beginning of the season for incentives to be given to farmers to grow more white maize, and this had cost farmers R60-million.

White maize produced this season was only just enough to meet local demand. A white maize surplus could have been sold at a solid profit abroad.

Commenting on the 20% rise in the price announced by the Minister of Agriculture in Pretoria yesterday, and on the big producers' levies, Dr Gouws

said the effective increase to farmers would be 14,6% on yellow and 17,4% on white maize.

Production and running costs in the past 12 months had risen by 38%, including a 145% rise in diesel fuel and big hikes in fertilizer prices, labour and other costs.

"This means that the farmer is being asked to absorb nearly two thirds of last year's increases," Dr Gouws said.

Levies have been increased from R1,50 to R6,98 a ton for yellow maize and R3,98 a ton for white maize.

This is aimed at replenishing the Maize Board's stabilisation fund — already nearly R5-million in the red — to compensate for the expected huge loss of about R100-million on export surplus maize, mostly yellow.

Dr Gouws said Sampi appealed to the Government before plantings last year to price-stimulate the production of white maize.

"This was rejected. However,

er, had the department taken our advice, farmers would not now find themselves with a price which covers only about a third of their higher costs."

The South African Mealie Specialist Organisation (Samsa) said it was unhappy that the big losses expected on exports would be loaded on to the shoulders of the producers.

A suggestion that the Government should contribute R7,50 a ton to the stabilisation fund had been rejected.

This meant that the producer would have to borrow to finance the stabilisation fund shortage. Samsa was concerned that this would place the farmer in an extremely vulnerable position.

The Government had also rejected a consumer contribution to the fund. This meant that the farmer would have to find R75-million, the estimated loss on exports in the new season.

Samsa estimates the loss on export mealies at R36,75 a ton.

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revenue and expenditure expressions then simply have to incor-
lated for the case of a monopolistic bank. The relevant marginal
del are quite straightforward. E.g., it can easily be reformu-
It might be noted, finally, that certain extensions of this mo-
tinously satisfied). (49)
of assets is continuously maintained (i.e. equation (35)) is con-
scale of the bank under the assumption that the optimal structure
ginal gain and marginal cost resulting from increases in the
The left and right hand side in this equation represent the mar-

$$(r - C^E) (1 - b\sigma^D) X^D = (1 + C^D) X^D + \sigma^D X^D$$

(.361)

90. 19/4/80

Maize 3-Maize hike slammed

CAPE TOWN — The announcement yesterday that the bulk maize price is to be increased has been greeted with dismay.

The Minister of Agriculture, Mr Hendrik Schoeman, said here the price was to be increased with immediate effect by R20,40 per ton. The price would rise from R102 per ton to R122,40 per ton.

The nett price of grain sorghum will also increase from R80 per ton to R90 per ton.

Mr Mpiyake Basil Kumalo, lecturer at the University of the Witwatersrand, said yesterday maize was a staple food without which most black families could not survive.

"We find it most disturbing that the price increase has been introduced at a time when costs are going up for all other commodities.

A Soweto councillor, Mr Frank Kodi, said: "South Africa is a rich country which does not need to increase prices of food. Blacks will suffer because the price of bread was in-

creased recently and the price of milk will be increased next month."

The chairman of the Association of Balanced Feed Manufacturers, Mr Gerhard Scholtemeyer, said the price increase of maize alone would lead to an immediate increase in the price of balanced feeds.

Balanced feeds would go up by between 6 and 10 per cent, he said.

"Although the prices of oilcakes as such and fishmeal have not yet been announced, concern exists that the price increases of these raw materials can lead to the price of balanced feeds increasing by as much as 20 per cent.

"The effect on the price of consumer articles such as red meat, broilers, eggs, milk, cheese, butter, etc will be considerable and there is no alternative but to pass these increases on to the consumer."

Mr Schoeman said the price hike was aimed at compensating producers for the rise in production costs.

Producers would receive R118 per ton for white maize and R115 for yellow maize, he said.

The government had decided to pay a further subsidy of R10 million towards stabilising the industry, in addition to the R50 million already provided. — DDC-SAPA.

By Lucille Bell

THE maize increase announced yesterday will have a ripple effect that will result in costlier eggs, chicken, meat, milk, butter, cheese, dog food and many other commodities.

The increase is an 'invitation to starvation' according to alarmed consumer organisations.

The latest shock for the already battered buying public came yesterday when the Minister of Agriculture Mr Hendrik Schoeman, announced that the price of maize would be increased by R20.40 a ton.

The disheartening news came on top of other recently announced in-

'INVITATION TO STARVATION'

creases in the cost of staple foods. Bread prices have risen by 20 percent for white loaves and 25 percent for brown; eggs are up 2c a dozen; meat is rising towards its projected increase of 15 percent by June; sugar has risen by two percent; wheat by be-

between three and five percent; and the price of coal by eight percent.

The aspect of the maize price increase causing the most concern is the fact that it will lead to an immediate increase in the price of balanced animal feeds.

Feeds will rise by between six and 10 percent,

according to the chairman of the Association of Balanced Feed Manufacturers, Mr Gerhard Scholtemeijer.

Mr Harold Greenstein, marketing director of Checkers, said the tax relief granted in the recent budget would be 'more than negated by these increases'.

HARDEST HIT

He said the poor would be the hardest hit. 'The underprivileged, especially those in rural areas could face starvation,' he said.

'The Minister of Health should be very concerned about the consequences of the price increases of basic commodities on the health of the nation,' Mr Greenstein said.

Already, according to the Department of Statistics, food sales had declined at an average rate of 5.7 percent a year since 1977, he said.

Mrs Joy Hurwitz, president of the Housewife's League, said of the increases: 'This has proved that the Minister of Agriculture does not care about South African consumers. The increase is well above anything we anticipated.'

A less harsh line was taken by the Coordinating Consumer Council, whose liaison officer, Mr Mike Hawkins, said the increase was 'an expected blow to the consumer, quite moderate in terms of what we are expecting'.

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Milk and maize go up

3-Maize
3-Milk

CONSUMERS, hammered on all sides by rising living costs and mounting inflation, can hardly be expected to view with equanimity the new maize price and the coming increase for milk to be announced next month by the minister of agriculture. Neither does anything to allay cost-of-living anxieties. Mealie meal consumers will be hit almost immediately and there will be a ripple effect among a wide range of basic consumer goods. Coming so soon after the bread-price hike which took the gilt off the budget gingerbread, the new cost of milk, whatever it may be, and that of maize will hurt those most dependent on the basic necessities of life. Neither can consumers be expected to cheer the recent

announcement that the Dairy Board has contributed R65 000 to rugby tours of the Republic. That the finance comes from an advertising budget and has nothing to do with the milk price cannot excuse a ham-handed essay in public relations. On a broader front it is simply not good enough for the minister of agriculture, Mr Schoeman, to talk in globular terms of the impossible cost of providing government subsidies. What is required is a close examination of the cost of basic foodstuffs, the role of control boards, and the efficiency of the industries on which the public welfare depends. If the public is to pay through the nose it must be assured that there is efficiency. There is insufficient evidence that this is the case.

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Now anyone can board the boat, just as he can use streets, parks, and the beach. People will crowd onto the boat as long as the average catch (which each gets) exceeds that on shore. In our example, eight people would be on board with four fish each to take home. But now no one is better off than before the boat was found. What happened to the extra 14 fish? They aren't caught, because there is too much congestion on board (instead of the catch-maximizing amount of congestion).

It is easy to see what happened if you examine the data in Table 9-1. With each person on board sharing equally in the total catch (the average of the total catch for whatever number are on board) people crowd on until the average catch no longer exceeds their individual catch on shore (where the marginal and average are the same: four fish). So a sixth, seventh and eighth person will go on board; the sixth, because with six people the average catch is six fish; the seventh because the average is five, and with eight people, the average is four. Every person's catch (the average) is reduced as more crowd on board, but each newcomer ignores the harmful effect on other people so long as he gets more than four fish, until with eight persons on board no one else would gain by joining the crew. Allowing a sixth person on board causes a social sacrifice of two fish. (his marginal product on board, two, minus his social product on shore, four).

14 fish when the crew size is four (or five) people. Thus the potential gain (formerly obtained and received as profits by the owners) is entirely dissipated by overcrowding the boat.

Overcongestion can be shown graphically in Figure 9-1. The social gain is indicated by the plus-marked area, representing the "marginal products on board" in excess of the "marginal products sacrificed on shore," maximized (at 14 fish) with five people on board. With more people, the marginal product on board will not match that on shore. That potential loss is represented by the shaded area below the "marginal product on shore and above the "marginal product on board." Unrestricted communal access is common for highways, beaches, sidewalks, parks, air, rivers, lakes, oceans. The reason for the overcongestion should be obvious—inappropriate property rights. With communal or public property, no one has adequate incentive to heed those overcongestion effects. They are left "external" to each person's interests, and are called "externalities." As long as everyone is entitled to, or gets, the average catch—on a share alike basis—everyone will respond to the average, not the total (or the marginal).

If, somehow, on board fishing could be limited to five people, all could share in the potential gain of 14 fish, formerly collected by the boat owners. So, in the absence of private-property rights, a government agent is appointed to con-

DD 23/4/80
3-Maize

Further egg price increase expected

JOHANNESBURG — The egg price increase of 4c a dozen was the result of last week's increase in the price of maize, the Chairman of the Association of Balanced Feed Manufacturers, Mr Gerhard Scholtemeijer, said here yesterday.

He said the present increase in the price of eggs should be only temporary. When the prices of fishmeal and oil cakes were announced in the next few days the prices of balanced feeds would immediately increase again.

"This will mean that consumer articles such as meat, milk and eggs will probably increase further," he said.

Mr Scholtemeijer said he expected the price of eggs to increase by a further 2c a dozen unless the Minister of Agriculture kept the increase in price of fishmeal and oilcakes within limits.

Feed manufacturers could not absorb the increases, which were passed on to the purchasers of balanced feeds.

Dearer, inferior maize fools public

3 MAIZE

1886

S-TAK

24/4/80



Two deliverymen unload a consignment of maize products outside a Soweto general dealer's store.

before going ahead with production.
"We will make fortified mealie meal provided there is a demand for it," the chief executive of the milling division of Premier Milling told Fair Deal.

Analysed

The two vitamins added to fortified maize meal are found in small quantities in unrefined maize. In a paper presented to the

South African Association for Food Science and Technology in 1975, Mr M J Pieterse of the Maize Board analysed South African maize in the following manner: "Thiamine 0,56 percent, niacin 0,16 percent, nicotinic acid 2 percent, folic acid percent, 0,56 plus various other vitamins.

In addition to the above vitamins, yellow maize contained carotene which gave it its yellow colour and when fed to chickens determined the egg colour. Yellow maize was superior to white maize in this respect.

Milling companies are scornful of the "fuss" about whole maize meal. They make the following points.

● Mealie meal is not a complete food and needs to be supplemented any way. If it is supplemented, it would not matter whether it was refined or not because people would get their vitamins from other foods. Even a handful of mungbean or beans would be enough as a supplement, they say.

● Blacks, who are staple food was mealie meal, would not eat whole maize meal or yellow mealie even if they produced it for human consumption.

● Bran and germ removed from maize during refinement were used for making oil, from which people could get their missing vitamins.

● Because of its high fat content, whole maize meal, had a very short shelf life. It would go rancid after three or four weeks and therefore it was not economical to transport it for long distances.

Contents

I asked the Maize Board for the scientific facts to back up the nutritionists' claim that maize lost of it "goodness" when refined. It commended Fedfoods for being brave by introducing fortified maize meal, and hoped that other milling companies would emulate this company.

"The Maize Board gave me figures to show that maize loses lots of its nutrients during refinement, especially the superior refined Baker's cones, which many people prefer.

When it comes to maize meal, milling companies will produce what the consumer demands — but it is not often that people are well educated on what is good for them and producers seem to be benefiting from this ignorance.

The whiter the mealie meal, the poorer its nutritional value, and the dearer the price — that is what a lot of people whose staple food is mealie meal believe is good for them. Milling companies argue that, if stripped of all its nutritious elements, is what the people want, there is nothing they can do about it.

"We are not going to produce products for which there is no demand," they told Fairdeal.

A Fair Deal investigation this week found that:

● Almost all the nutritious elements of maize meal are stripped off when maize is refined. On average, 37 percent of the nutritious elements were removed to make super refined maize meal, 20 percent for special and 10 percent for unsifted meal.

● No supermarkets were found which kept the whole straight run unsifted maize meal. Instead whole maize meal, with all its nutrients, was

The 20,4 percent maize price increase is an invitation to malnutrition and crime, a Soweto social worker said recently. Worse still, the majority of consumers, whose staple food is maize meal, buy the "superior," super-refined, less nutritional and more expensive mealie meal. Fair Deal reporter MAUD MOTANYANE investigates the reasons for this.

found in health shops selling at high prices. A kilo of whole white or yellow maize meal sold for anything up to 50c (R1 a 2,5 kg packet), in spite of the fact that whole maize meal should be the cheapest on the market.

● Only one milling company was found which packed whole maize meal in 2,5 kg packets — Ruto (Pty) Ltd in Pretoria. Other milling companies sold it in bulk to industries such as the mining concerns.

● As maize meal grades increase in refinement, they decrease in protein content, protein quality, vitamins and fibre and yet, the two top grades are called "Super" and "Special," terminology that is "woefully inadequate and even inaccurate," says a Housewives' League Newsletter published recently.

● None of the nutritious elements was removed in the making of yellow mealie meal, used mainly for feeding animals.

● Milling companies told Fair Deal that they had carried out research, varying from interviewing members of their own

staff to questioning agencies on the acceptability of whole white and yellow maize meal.

However there had been no recent research or advertising concerning the two products.

Lost value

Maize meal, even when whole, is not a complete meal that needs to be supplemented with vitamins and protein, "but there is no denying that it loses a lot of its nutritional value when refined," says Mr Ben Powell, head of the technical services department of the South African Maize Board.

What with spiralling prices affecting almost every basic commodity, nutritionists and medical doctors are worried that a lot of people will not be able to afford to supplement maize meal with other foodstuffs.

With the Minister of Agriculture's announcement of a 20 percent increase in the price of maize the average black family is going to spend at least R12 a month on mealie meal — R2 more than previously.

Nutritionists predict that there is bound to be an increase in incidence of diseases related to

food deficiency, especially kwashiorkor and pellagra. Even the newly-introduced fortified maize meal will be too expensive for the average black family.

Fedfoods recently introduced A1 maize meal fortified with nicotinic acid and Riboflavin (some of the vitamin B group nutrients) to combat pellagra. They told Fair Deal that although adding these elements had not cost them much money, they still put up the price of the new maize meal.

'Dangerous'

"We were playing on dangerous ground," said Mr Corrie Rademeyer, public relations officer for the group.

"We could not change people's eating trends, claim that we had come up with a better product and still ask for the same price," he said.

Fedfoods said sales of A1 fortified mealie meal, which had been campaigned for vigorously, had picked up tremendously.

Fedfoods is the only milling company which produces fortified maize meal. Here again, milling companies are adopting a wait-and-see attitude, making sure of the market

The average content of protein in whole maize and 8,7 percent in super refined maize meal. Fat was 4,4 percent in whole grain and 1,2 percent in super refined meal. Fibre, which prevents constipation, comprised 2,2 percent of whole grain, and only 0,4 percent of refined maize meal. Ash was 1,2 percent of whole grain and 0,4 percent in super refined maize meal.

Starch made up 73,9 percent of whole grain, increasing to 86,2 percent in super refined maize meal.

Riboflavin comprised 1,6 mg for every 100 g of whole grain, and 0,1 mg in every 100 g of super refined maize meal. Nicotinic acid accounted for 2 mg of every 100 g of whole grain and 0,6 mg of every 100 g of super refined maize meal.

Organisations like the Organic Soil Association are worried that the super refined maize meal is "glamourised" by advertising and made to look superior. They believe that if similar advertising were put out for the more nutritious straight run white and yellow maize meal, people would buy them.

Maize

causes

3 Maize

new

price

24/4/80

spiral'

Argus Political
Correspondent

A MASSIVE new price spiral had been started by the increase in the maize price and urgent Government action was needed. Mr Philip Myburgh, MP, the Opposition's chief spokesman on agricultural matters said today.

Mr Myburgh called on the Minister of Agriculture, Mr H Schoeman, to justify in detail the basis of the increase in the price of unprocessed maize.

He said the recent increase in the price of maize had come as no surprise. The extent of the increase had, however, come as a tremendous shock to all consumers of maize and maize products.

'A vast part of our community for whom maize is the staple food just cannot afford to pay more for food. The 1980 Budget has certainly done very little to ease their lot.

SUBSIDIES

'The Government will have to take action by way of bigger consumer subsidies or by ensuring that the increase in the price to the consumer is no greater than the increase received by the prime producer. Should this mean that profit margins on essential food-stuffs have to be reduced then this must be enforced.

'It must be borne in mind that a substantial percentage of maize is consumed in agriculture in the production of food and milk. Therefore when an increase is sanctioned by the Minister of Agriculture he must accept that there will be an instant chain reaction leading to further increases.

ANIMAL FEED

'The first of these has been an increase in the price of animal feed. This will be followed by increases in the price of eggs, milk, poultry products and stall-fed red meat.

'The Government will have to realise that when it deems it necessary to create a semi-monopolistic situation in one industry it creates problems in related industries for which it has to take the responsibility.

'The South African consumer can expect eggs, milk, meat and pork products to go up by leaps and bounds during the next few weeks as producers of these products are in no position to absorb the newly announced animal feed price increases,' Mr Myburgh said.

Maize price hike slated

FOOD PRICES in this country will rise to subsidise the export of maize at a loss, because a bumper crop has coincided with a drop in world prices, the Housewives' League of South Africa point out.

In a statement to the Press the League — which asked the Minister of Agriculture, Mr Hendrik Schoeman, to limit any rise in the price of maize to 10 per cent, says that by granting a 20 percent increase he has shown he is "not at all concerned about consumers' plight."

The rise in the price of maize will hit the black population, which uses meal as an important part of its staple diet. It will also have a ripple effect on the price of other foods, including chicken, eggs, pork and bacon, because maize is used to feed the birds and pigs.

The League's statement says it is apparent that Mr Schoeman has not considered the effect the 20 percent rise will have on all basic foods.

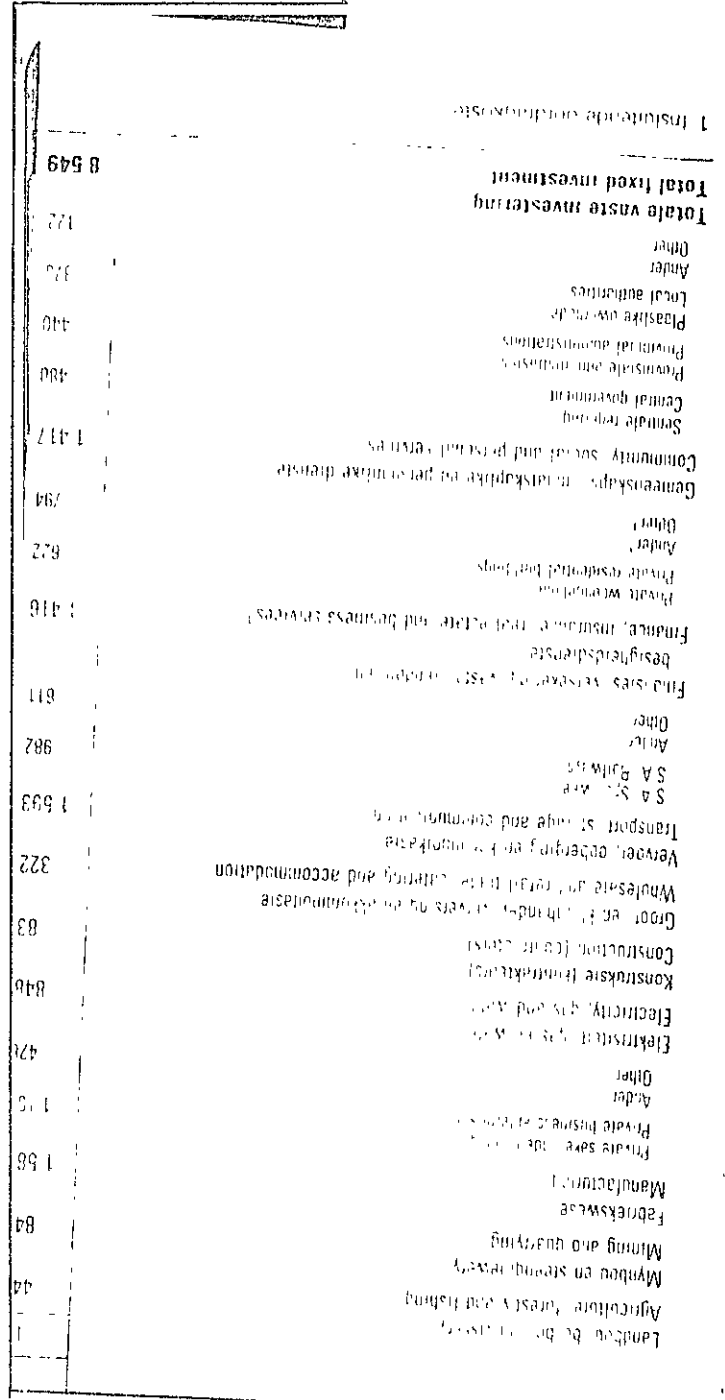
"We are the only consumers in the world who do not benefit from surpluses in agricultural products," the statement continues.

"A bumper crop this year will in fact burden the consumer, particularly the poor, as our surplus maize, if exported, could lose R35 on every ton for which we are expected to pay over and above the local price.

The statement says the League is alarmed that the maize farmers "can expect to retain all profits made in most years on exports and then, in this exceptional year because world prices are down, go against all business practice in a free enterprise economy and expect the consumer to cover their so-called losses."

Quarter	1977	1976	1975	1974	1973
I	518	667	711	505	525
II	1 229	1 013	1 151	492	612
III	1 756	1 505	1 765	711	711
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Total	5 106	4 390	5 760	2 799	2 007
1977*	8 364	8 886			

SEASONALLY ADJUSTED GROSS DOMESTIC FIXED INVESTMENT BY KIND OF ECONOMIC ACTIVITY Quarterly figures at an annual rate R millions



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Consumers subsidise maize export losses

③ *maize*

WDM 29/9/50.

Staff Reporter

SOUTH Africa's maize milling industry expects to pay more than R4-million to the Maize Board for old or existing stocks of maize as the first effects of the recent massive 20% price hike are felt.

And consumers — especially the poor — will probably be feeling the effects of this within the next few weeks. They are also having to subsidise a loss on exports.

Mr W Wolthers, chief executive of the milling division of Premier Milling, said that mills had no choice but to pass on the increased prices to the retailer and, eventually, to the consumer.

"As soon as possible after a price rise is announced, officials of the Maize Board arrive at mills for an on-the-spot stock taking.

"Mills are then debited the difference between the old and new prices on the stocks they have at the time," Mr Wolthers explained.

This meant that if a certain mill had 100 000 bags of maize in stock and the price had risen

from R10 a bag to R12 a bag, the mill would be charged R200 000 on that stock.

Only stocks of maize on the shelves of retailers could be sold at old rates.

The huge supplies of maize at milling depots would immediately have their prices increased.

Mr Wolthers said the same system applied when the price of wheat was increased.

He warned that consumers would probably be paying the new higher prices by early next month when existing stocks still on the retailers' shelves run out.

Sapa reports that the Housewives' League of South Africa said in a statement released in Cape Town yesterday that food prices would rise to subsidise the export of maize at a loss because a bumper crop had coincided with a drop in world prices.

The league — which earlier asked the Minister of Agriculture, Mr Hendrik Schoeman, to limit any rise in the price of maize to 10% — said that by granting a 20% increase he had shown he was "not at all con-

cerned about the consumer's plight'.

The rise in the price of maize would hit the black population which used mealie meal as an important part of its staple diet.

It would also have a ripple effect on the price of other foods, including chicken, eggs, pork and bacon, where maize was used as animal feed.

"We are the only consumers in the world who do not benefit from surpluses in agricultural products," the league said.

The league said it was alarmed that maize farmers "can expect to retain all profits made in most years on exports and then, in this exceptional year because world prices are down, go against all business practice in a free enterprise economy and expect the consumer to cover their so-called losses".

The Minister and the Maize Board were guilty of mismanagement in failing to channel enough of the export profits from previous years into the Stabilisation Fund in preparation for a lean year.

Fishing fiasco

By ANDREW MCNULTY

A LARGE question mark hangs over prospects for fishing companies after the collapse of the South West African inshore fishing industry.

Companies in massive diversification bid

All of the companies quoted in this sector are almost certain to record a lower earnings contribution from fishing in the current year.

Some may still return improved profits and the future of the industry can by no means be written off.

But for most, the short-term outlook is pessimistic. The current pelagic season started some 10 days late and, as a conservation measure, quotas have been slashed. The total catch for the depleted pilchards is only 4 000t this year.

Price increases are expected to be awarded within days, but industry sources expect these to cover only increases in costs, such as diesel fuel.

With the lessons of past downturns in this cyclical industry behind them, most companies have moved well along the diversification path and have the added advantage of substantial cash reserves. Also, industry sources point to developments that could

cushion the painful effects of the reduced catch.

Companies operating in SWA are co-operating closely on rationalising their facilities, aimed at paring costs.

Ovenstone Investments' financial director, Mr J R Millar, describes this as a "whole new ball game, results of which are still unclear".

Resources are being pooled as far as possible and only one of the five canning factories at Walvis Bay will be open this season.

Secondly, although controlled catches have been cut to almost negligible tonnages, this may still be partly offset by good catches of unrestricted inshore fish, such as maasbanker.

A Swafish spokesman tells Business Times that his company has already had unusually good landings of some 150 000 tons of maasbanker in the unrestricted area between Luderitz and Pelgrave Point.

The quotas were severely restricted because over-fishing and other factors reduced the fish population. The key question is when it will recover. Most sources have no idea.

The Japanese pilchards industry took 30 years to recover after it collapsed in the 1930s, while the SWA pelagic fishing industry had a similar downturn in the late 1960s followed by boom years in the mid-70s.

The sources are, however, emphatic that the South African consumer's day of inexpensive protein from pilchards are gone for the foreseeable future. No substitute is available.

The share market has reacted sharply in the past year. Share price losses of companies quoted in the fishing sector outnumber the gains since the beginning of 1980.

Although the average earnings and dividend yields are 17.3% and 11.3% respectively, some analysts doubt that

even this is adequate when seen against the yields and earnings growth being achieved elsewhere. This would suggest further discounting may well occur.

Industry sources say it is too early in the new season to assess earnings for the current year and a range of unpredictables — such as rock lobster exports or the success of the rationalisation plan — could influence short-term profits.

Market analysts take the view that, at best, risks are high and the more diversified companies are probably in the better positions.

Oil is among the most diversified of the traditional fishing companies, and now also has major interests in home building, construction and civil engineering and a growing international fishing operation.

Mr Millar says the February year-end results, due out in a few weeks, will show SWA fishing has played a lower role in

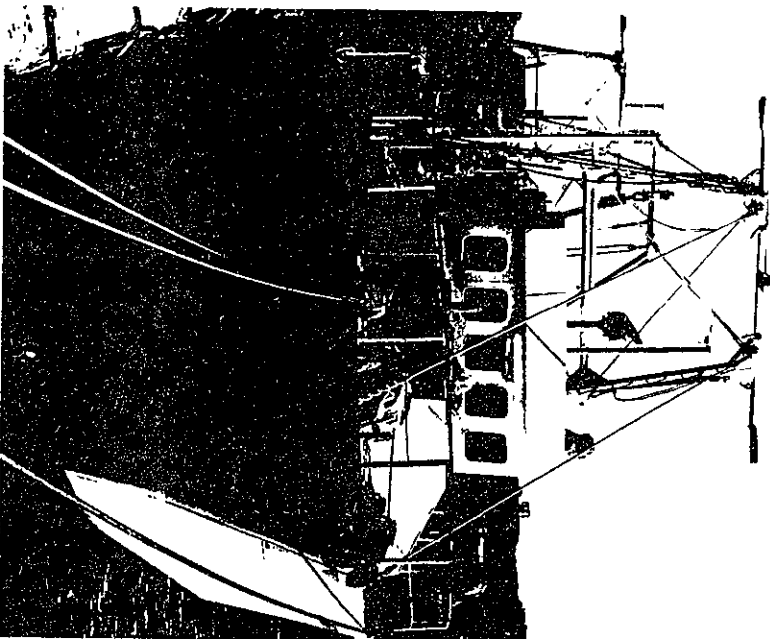
group earnings due partly to a quickening in other operations. In the current year, fishing will probably not contribute materially but this should be offset by other sectors, including the start of earnings flow from new international investments.

● **Feedfood**, formerly Marine Products, is now widely diversified in foods and in 1979 derived only 36% of its profits from fish. This process is continuing. Two firms, Table Top and Riviera Foods were acquired in the past month and the aim is to reduce pelagic fishing profits to 20% of the total by 1981.

● **Swafish** managed to maintain its dividend last year despite the lower profitability from fishing. It now derives about 30% of its profits from pelagic fish processing, about 40% from investments and 28% from rock lobsters.

● **Sea Products**, a subsidiary of the Tiger Oats group, gained some 52% of profits from pelagic fish and rock lobster in the past financial year, most of the remainder coming from interest and dividends from investments. Seaswa participates by 30% in United Fishing Industries.

Tiger's top fish holding company, United Ocean Holdings



(UNITS) holds 69.2% of Lambearts which in turn holds 50.7% of Seaswa.
● Kaap Kunene still gains about 75% of its earnings from fish although this includes rock lobster and crab products.
The company has property and game farming interests and a listed share portfolio that includes large holdings of I&L Droyal and Suderland.

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Maize clue in cancer incidents

RDM 25/4/80.
Staff Reporter

THERE are indications that deficiencies of the trace element manganese in the soil of certain areas of Transkei, which has been found in maize plants, eventually could be responsible for the high incidence there of cancer of the oesophagus.

These are the findings of a soil scientist, Professor M C Laker, who delivered a paper at the second South African conference on fundamental molecular and cellular cancer research in Johannesburg yesterday.

Prof Laker, one of a team of experts who has spent four years working on this research, said that although it had not been proved that manganese deficiencies were responsible for the cancer, scientists were considering the possibility of adding small amounts of the trace element to soil in high incidence areas to document results.

Since early 1976, scientists have been intrigued by statistics which showed that in certain areas of Transkei, the incidence of oesophageal cancer was high, while in other areas it was comparatively low.

A team of experts, drawn from many scientific disciplines, began to examine the environment in high and low incidence areas to pinpoint a factor which was present in one area and absent in the other.

The scientists have examined the proportion of trace elements in maize leaves from both high and low incidence areas and have found that levels of manganese absorbed by the plants seems to be a vital factor.

Prof Laker said that while it was too early to draw conclusions from information gleaned from these experiments, it would be "immoral" for scientists to ignore the results and not continue with research.

Maize³ export forecast

maize
10M 28/4/80

SOUTH AFRICAN maize exports for the 1980-81 marketing season — May to April — have been revised up to 3 700 000 tons from 3 300 000 tons forecast earlier and 2 520 000 tons estimated for the 1979-80 season, say informed sources.

Their estimate is based on the Department of Agriculture's second crop forecast which was raised to 10 500 000 tons from 10 100 000 tons and compared with output of 8 240 000 tons the previous season.

The sources say grain sorghum exports are projected at 103 000 tons compared with 155 000 tons estimated for the 1979-80 marketing year.

They say South Africa hopes to sell more sorghum at home this year. The latest department forecasts put sorghum output at 461 000 tons this year against 354 000 tons last season.

— Reuter.

^{(3) maize}
~~210~~
Zambia
expects
28/4/80
SA maize

LUSAKA. — Rail traffic between South Africa and Zambia, including vital Zambian maize imports, was expected to return to normal soon, the official Zambia news agency, Zana, reported yesterday.

The South African Government suspended rail shipments to Zambia earlier this month after 3 000 SAR goods wagons were stranded north of the Zambesi River.

The acting general manager of Zambia Railways, Mr Richard Veenis, said firms had been too slow in unloading trucks, but most had now been returned to South Africa and he expected normal traffic to resume soon, Zana reported.

The so-called "Southern Route" railway linking South Africa and Zambia through Zimbabwe is essential to carry the 200 000 tons of maize Zambia has bought from South Africa to avert a serious food shortage. — Sapa-Reuter.

Hansard

S(304) Samsó/Sampi
† 320 S(1000)
*10. Mr. P. A. MYBURGH asked the
Minister of Agriculture:

Whether any progress has been made in the unification of the maize farmers' organizations Samsó and Sampi, if so, what progress?

†The MINISTER OF AGRICULTURE:

The progress is very slow, but I am confident that with the necessary tact and patience, co-operation will eventually be achieved.

†Mr. P. A. MYBURGH. Mr. Speaker, arising out of the reply given by the hon. the

Minister, will he tell us whether he is actively engaged in bringing about that unification?

†The MINISTER: Mr. Speaker, at the moment I am not as actively engaged in that as I was two years ago. There are, however, people who are doing their best to bring about co-operation, and in view of the action being taken now, I think it will go better than if I should actively take the lead.

Time for changes

3 (maize) Fm 25/4/80

The maize industry is at the crossroads and thorough reappraisal of maize policy is now imperative.

For some years SA has been in the happy position of being able to export maize profitably. Because of that — and for political reasons — production has been encouraged without restraint and large export surpluses have become a regular thing. Almost overnight, it seems, the profits have run out.

Resulting from the high increases in SA producers' prices in the past three years, and lower world prices, the country faced a staggering export loss of R53.5m last year (1979-80) leaving the Stabilisation Fund in the red to the tune of about R4.3m. Export losses this year will be even greater.

It is against this background that the recent 20% price increase must be viewed. The effect on the economy in terms of escalating inflation through higher prices of meat, poultry, eggs, milk and many other commodities is just starting to emerge. As Rudi Frankel, chairman of the Tiger Oats and National Milling group, warned recently, even export markets for processed farm products may be hit. What the national loss could be in terms of hunger, malnutrition, even starvation, can only be imagined.

Government has made some attempt to cushion the blow.

● Producers are to pay R3.98/t on white maize and R6.98 on yellow towards export losses. (The difference is intended to encourage a switch to white maize production which can be exported profitably, though the market is limited.) So the net producers' price will be R118/t for white and R115/t for yellow.

● The R50m subsidy, which is used to pay the Maize Board's costs for storage and transport, but not for export costs, is being increased by R10m. Nevertheless, the Board's selling price has been increased by the full 20%, to R122.40/t.

● A government guaranteed loan of up to R75m will be provided for up to five years at 4% to cover further export losses.

while helping to cover losses on one hand it increases them on the other. The chief white maize consumers are a captive market — conveniently voteless, and, as maize is their staple diet, unable to register a protest even by consumer resistance. Surely it would have been fairer to spread it equally across the population with a straight subsidy? Perhaps, but the problem of subsidies is that sooner or later, they have to go — with dire eventual effects on prices.

So much for this year. What of the future?

The table on this page makes it all too plain. In the 1960s, it will be recalled, maize surpluses had usually to be exported at a loss (but SA needed the foreign exchange). By the end of the decade, the SA price was about level with the world price. Between 1972 and 1976, the latter rose steeply, subsequently dropped, and levelled off. Meanwhile SA prices had lagged well behind, and only overtook the world price last year. Although the world price this year has been adversely affected by the US decision to withhold exports to Russia, and it is expected to harden soon, there seems, on the showing of the past few years, no prospect of its shooting up to anywhere near the SA level. SA has priced itself out of the market.

SA no longer needs foreign exchange so badly that export losses are warranted. Therefore, a new price policy is needed to eliminate the large export burden — and hopefully to bring down the cost of an important staple.

Even if it is accepted that it is desirable for political reasons that SA should be generally self-supporting in maize, and able to help feed neighbouring countries,

YELLOW MAIZE SOARS

Year	Gross producers price R per ton	Chicago price (on April 30 each year)
1969-70	36.91	
1970-71	36.36	
1971-72	37.92	April 30 1972 36.19
1972-73	37.90	46.09
1973-74	45.50	73.01
1974-75	57.00	76.60
1975-76	62.00	92.30
1976-77	65.00	84.94
1977-78	74.00	85.17
1978-79	84.00	86.54
1979-80	102.00	April 17 1980 84.69
1980-81	122.40	

Note: The Chicago price is not identical with world price but gives an indication

SA yellow maize sells at a premium, because of its high quality, even above Argentinian. The latest tender price is about R105-R107/t. The Maize Board, working on an average tender price of R115/t, is budgeting for export losses of R42/t. On a crop of just over 10 Mt, and an export surplus of 3 Mt, this amounts to about R130m (of which the producer's share will be R50m).

Despite all this, the fact remains that the consumer is being hit by the full 20% increase. The increase cuts both ways:

Financial Mail April 25 1980

375

MEASURING THE RISE

Year	Maize and sorghum	Farming requisites
1968-70	100.0	98.7
1970-71	162.5	103.6
1971-72	108.6	110.2
1972-73	120.0	120.4
1973-74	143.2	137.1
1974-75	168.0	165.9
1975-76	181.1	198.3
1976-77	197.2	229.6
1977-78	217.7	253.7
1978-79	251.4	292.1

Price indices 1970 = 100.

Note: Farming requisites include machinery and implements, material for fixed improvements, tractors, lorries, irrigation equipment, implements, and fuel, fertilisers, etc.

must this imply that absolute self-sufficiency is necessary, even in bad years?

The answer is no. In the event of the occasional crop failure, either some maize could be imported, or yellow and white could be mixed for human consumption, as was done in the last war. Even in the event of a crop failure coinciding with an economic boycott, well, sanctions can usu-

ally be broken.

A partial solution would be to provide extra storage capacity so that the "carry-over" (Joseph's Policy) could be increased from 1 Mt to, say, 2 Mt. This would allow more to be stored in good years to be used in bad and thus allow the Maize Board greater freedom to adjust supplies.

Production costs, which have been the excuse all along for price increases, must be subject to much closer scrutiny. Fertiliser prices, and transport costs, and the import surcharge on farm machinery need looking into. Then what proportion of the producers is producing what percentage of the crop? Price increases should be based only on the efficient farmers' costs. As is the inevitable effect of administered prices, the inefficient are feather-bedded. Even though they do have votes, inefficient farmers must be allowed to go.

There is fortunately no question of disrupting the entire maize industry. Local consumption absorbs the bulk — about 6 Mt per annum while 1 Mt is retained on the farms. Increased exports to the

LOSING THE CUSHION

Year	Maize exports Rm	Stabilisation Fund balance (May 1) Rm
1973	77.4	56.2
1974	203.4	11.0
1975	302.5	72.5
1976	236.5	63.2
1977	190.0	37.7
1978	282.1	18.8
1979	n/a	17.0
1980	n/a	deficit: 4.3 (est)

Note: The previous last deficit on the SF was R756 000 in 1970.

rest of Africa, not at a loss, because of lower transport costs, are also a possibility.

But marginal production will have to go, and switching to other crops presents numerous problems. Perhaps a thought worth considering is that if the producer price was abolished, both production, and the maize price, would find their optimum levels.

10/5/80
Ethanol talks 553
MAIZE

REPRESENTATIVES of interested organisations would meet members of the Maize Board on May 20 for discussions on the production of ethanol fuel from maize, the Minister of Agriculture, Mr Hendrik Schoeman, said yesterday in reply to a question by Dr W D Kotze (NP, Parys). His written reply said representatives of several organisations had negotiated with the board, and the price and quantity of maize to be made available for ethanol production still had to be finalised.

STAR 14/5/50
3 MALL
Maize farmers' burden

Farming Correspondent
Maize farmers complain that they are carrying forward the burden of huge price arrears. The SA Maize Producers' Institute says in its journal, *Die Landman*, that at the recently fixed price, even after this season's reasonable crop, the maize farmer did not have

a satisfactory operating profit left. On top of mounting production costs, the maize farmer will have to carry the R75-million loan burden imposed on him by the Maize Board and the State, to help finance an export loss for which the farmer was in no way responsible.

COBOL-

Ban call ^{3 maize} on refined ^{STAR 24/5/80} meal meal slammed

By Maud Motanyane,
Fair Deal Reporter

The Maize Board has attacked the Housewives League for its call for a ban of super refined maize meal.

A month after The Star published an extensive investigation on the nutritional value of the various grades of mealie meal, the league decided at its annual general meeting to call on the Government to stop the production of highly refined maize meal.

It said continued sales could be a health hazard to most blacks

But the Maize Board has rejected the housewives call as "paternalism of the first degree." No one had the right to dictate what people should eat, spokesmen said.

RE-EDUCATION

But they agreed with the league that what was needed was the re-education of the people on what was good for them.

A spokesman for the board told Fair Deal that various control boards had set up a nutrition advisory service, based on the assumption of a single product.

nacea to all problems.

The Maize Board subscribes R100 000 a year to this service.

The service is made up of white and black dieticians who go into the townships and give talks to women in clinics on nutritious eating habits.

CHOICE

"While many of us share the view that refined maize meal is not nutritious, where do we end — If we ban super refined maize meal, do we ban white sugar and white bread too?" the board's spokesman asked.

But the league argues that advertising of super refined mealie meal has been so vigorous that it would be difficult to change people's attitudes without removing the mealie from the market altogether.

Mr Ritowitz, chairman of the National Maize Millers' Association said consumers had a choice of four grades of maize anyway — the highly refined, the highly refined vitamin enriched, the sifted and unsifted but refined, and the straight run maize meal.

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SA's R55-m in maize to Zambia

RDM

Own Correspondent 26/5/80

LUSAKA. — Zambia will spend about R55-million importing 3.5-million bags of maize from South Africa this year, Zambian Prime Minister Daniel Lisulo has disclosed. About one-third of the amount covers transport costs.

"It is scandalous for Zambia to use money which could have been used on development projects to buy maize which can be grown in the country," he said.

He also said it was "shameful for any self-respecting nation" to import from South Africa.

The maize is being imported to meet the shortfall caused by poor rains in the past two years, but Mr Lisulo blamed party leaders for the shortage of the country's staple food.

"These leaders have been lazy and not done their work properly, because if they did their work well by urging people to grow more maize, we wouldn't have these shortages now," said the Prime Minister.

Record

③ Maize
crop

— but
4/7/80.

farmers

may lose

By ROB TAYLOR

A NEAR record maize crop is expected in South Africa this year but farmers in the Transvaal stand to lose millions of rands because there is not enough room to store their mealies.

A leading Fochville farmer told the "Mail" yesterday that more than 100 farmers in the Vereeniging, Potchefstroom, Fochville area stood to lose millions of rands if space could not be found to store their maize in the next few months.

"We are in desperate trouble," he said.

The farmer, who would not disclose his name, said it was not possible to deliver maize to local co-operatives because all the silos were already full and there was little hope of space being found.

Most of the farmers' mealies are still in the fields and will only last another two months — provided it does not rain.

The farmer said the position had worsened because the South African Railways was unable to supply trucks to fetch the mealies.

Mr Theo le Roux, the general manager of the maize section of the Central West Co-Operative in Klerksdorp, was not available for comment but a spokesman for the Maize Board said the board was aware of the situation.

He said this year's crop — the second biggest ever — had come in early.

"We have already received most of the maize and it has not been possible to accommodate all the crop in bulk form."

The spokesman added that he could not believe that farmers in the Fochville area had nowhere to store their maize.

Hungry Africa 'will need SA's grains'

3 more RDN 12/7/80

Pretoria Bureau

SOUTH African grain will be needed to an ever-increasing extent to stave off widespread hunger in other African states, say Government sources.

Spokesmen for the maize and wheat boards say that South Africa is the most convenient and cheapest source of the grains, and the demand for food is rising with the growing populations in countries such as Zaire, Zambia, Mozambique, Tanzania, and even Zimbabwe.

Diplomatic sources point out that South Africa's ability to produce surplus grain and other foods could give powerful support to diplomatic penetration into other African states — provided real progress is made in removing race discrimination at home.

The Minister of Agriculture, Mr Hendrik Schoeman, confirmed in Pretoria yesterday that demand for food from oth-

er African states was increasing.

"This is mainly because of shrinking production there, rising populations, droughts, lack of farming expertise and other reasons."

He said South Africa 'was ready to export its surplus agricultural products to any country in Africa "if they are prepared to pay cash and the price is right"'

South Africa was in a strong competitive position, compared with European and North American exporters. Transport costs from the West were prohibitively high.

Also, South African maize — which is sun dried — is preferred to the United States machine-dried varieties.

It was reported earlier this week that Zimbabwe would import 180 000 tons of South African maize next year. Its imports this year are expected

to exceed 40 000 tons.

A Maize Board spokesman has pointed out that the loss on South African maize exports has been reduced dramatically by selling to other African states. The loss on shipments to Europe is R40 a ton.

If South Africa sold its entire 3.6-million ton maize surplus on the European market, the loss would be more than R150-million.

The general manager of the Wheat Board, Mr J van Aarde, said: "The demand for our wheat is strong. We could get rid of our entire annual surplus by selling in Africa, rather than selling at heavy losses on other world markets."

Meanwhile, South Africa's 200 maize silos are filling up from the second largest crop on record. The railways are using more than 700 trucks a day and working at top pressure to move the harvest.

Maize ⁽³⁾
~~(2)~~ ^{maize}
exports
R24 18/7/80
higher

SOUTH African maize exports for the 1980-81 marketing season — May to April — have been revised up to 4 050 000 tons from 3 830 000 estimated a month ago and 2 330 000 tons estimated for 1979-80, says the Maize Board.

The estimate is based on the fourth crop forecast, which was lowered to 10 550 000 tons from 10 580 000 and compared with output last season of 8 240 000 tons.

The opening stocks position as at May 1 was revised up to 1 370 000 tons from 1 140 000 last month.

The board says that in June 154 000 tons of yellow maize were exported at an average price of R109,50 a ton against May's 252 000 tons at R104,37 a ton.

The board revised details of export destinations for April, the latest month for which figures are available, to 219 937 tons exported from 205 805 tons given a month ago.

The latest figure comprises 32 640 tons of white maize and 187 317 tons of yellow maize against the previous yellow maize export figure of 173 165 tons.

The extra yellow maize exported was taken by Taiwan, which imported 39 718 tons against 25 566 tons stated a month ago. — Reuter.

18/1/80 ARUN

Maize Board

plans to boost exports

(3) maize
~~1/2~~

NIR RUSSELL Spencer-Young has been appointed general manager marketing of the SA Drugists group.



A HIGHER than expected carry-over of maize from the 1979-80 crop will be used to help the Maize Board increase exports, Reuter reports from Pretoria.

The Maize Board was originally planning to export 3 830 000 tons but this figure has now been revised to 4 050 000 tons.

Although the latest estimate of the 1979-80 crop puts it at 10 320 000 tons, down 230 000 tons from the previous estimate, the opening stock position at May 1 has been revised upwards from 1 140 000 tons to 1 370 000 tons.

In 1978-79 8 240 000 tons of maize were produced.

The Maize Board says 154 000 tons of yellow maize were exported in June at an average price of R109.50 a ton, while

252 tons were exported in May at R104.37 a ton.

In April maize exports amounted to 219 957 tons.

At current export prices exports in the 12 months ending next April could bring South Africa more than R400-million in foreign earnings.

But with the export price below the domestic price of R122.40 a ton, the public is subsidising part of these exports.

FINANCE



MRS LYNNE POCOCCO, left, has been appointed manager of the Cape Town branch of the Kelly Personnel group and Miss Lyn Holloway, manager of the new branch in The Link, Claremont.

MAIZE

FM 25/7/80

(3) MAIZE

Into the interior

It is by now no secret that South African maize is finding its way into black Africa, possibly as far north as the Ivory Coast. But the amounts involved, and the prices at which they have been sold, remain a well-kept secret.

Maize Board GM Hendrik Nel confirms that maize is exported on a regular basis to a number of neighbouring countries that now include Zambia, Zaire, Zimbabwe, Malawi and Mozambique, as well as the members of the SA customs union.

Zambia purchased 200 000t of yellow maize at the end of last year to supplement its own crop shortages, and Mozambique has reputedly taken up 120 000t. Zimbabwe has already received 12 000t of yellow and 4 000t of white, and the exercise is continuing, say maize officials in Salisbury.

All these deals, apart from Zaire, are on a government-to-government basis and the governments involved are understandably reluctant to release details, one of which is the ultimate destination of the maize.

But reports indicate, adds Nel, that it is finding its way to Kenya, Angola and the Ivory Coast.

The FM noted in April that 28 000t of yellow maize had arrived in Nairobi from Maputo, and a further 100 000t of white was on its way from SA by circuitous routes. This purchase was handled by a local dealer, partly, he says, because the Board did not wish to undertake the commercial complexity involved, and partly because the Kenyans did not want to deal directly with SA officials.

"Nairobi bought between 100 000t and 200 000t, some of it white, before the

Board stopped selling white in March," he adds.

In April, according to another report, a Maize Board employee stepped out of line sufficiently to confirm a sale to Zimbabwe of slightly less than 50 000t of white at what appeared to be a discount under the Board's tender price. This was strongly denied by Nel.

The Zaire deal was routed through commercial dealers in SA. According to a tight-lipped trade source, the amount was "a few hundred tonnes of yellow," and was bought on tender from the Board, which insisted on knowing its destination, and insisted on selling it at a premium. The logic of this, he adds, was that the transport cost factor into Africa is much

lower than it is for overseas markets, and traders' margins are thus wider.

"But another factor was that the Board wanted to make it clear that it was not selling to Africa at favourable prices," he says.

The question of prices remains a bone of contention, with the trade intimating discounts and the Board denying it. "We

do not disclose our prices," says Nel. "Not because we are ashamed of them, but from tactical considerations. The countries concerned would not like it. But I deny categorically that we have sold at a discount."

The amounts confirmed add up to nearly half of the 1979-80 white maize export surplus of 280 000t (all of which was prob-

ably sold to African countries), and about one eighth of the yellow maize surplus, most of which was sold at a loss overseas, which leaves considerable room for speculation.

Trade sources say they are worried about the current condition of maize harvests in African countries. "If they do not get bumper crops soon, and their maize

needs increase, they will probably deal more often directly with the Board."

Maize surpluses for export are reaching the trade less and less, they add, and this is seen as a usurpation of its traditional role. "It is the trade, not the Board," say sources, "who for many years have handled sales to countries boycotting SA, including communist countries."

Raise maize subsidy, call farmers, business

Staw 6/8/80
3 Maize

By Charlene Beltramo
Fair Deal Reporter

Organised agriculture, consumer organisations and big business have united in a call for an increased subsidy on maize.

The SA Agricultural Union has backed down from an original call for the bread subsidy to be removed and placed on maize.

Mr J Willemse, economist for the SAAU, said they did not advocate the lifting of the bread subsidy but "felt greater attention should be given to a significant maize subsidy."

A switch in subsidies would increase the price of brown bread, as an example, from 21c (including GST) to 33c, or by 57

percent.

But the decrease in the price of maize meal with a similar R141-million subsidy would be a mere 19 percent — if the full reduction were passed on to the consumer.

Maize already has a R60-million subsidy to assist farmers and millers. It does not extend to consumer pricing. In addition, a government loan of R75-million cushions any shortfall on exports.

Last year maize export losses amounted to about R3 000-million. The SAAU claim the subsidy on maize would reduce the loss on exported maize, although they admitted if the subsidy on wheat was taken off it would add to export losses for that product.

Last year, said the general manager of the Wheat Board, Mr E van Aarde, a total of 160 000 tons of wheat was exported — all to neighbouring countries — at a loss of R7-million.

But a worsening drought this year has led to predictions of a minimum shortfall of 307 000 tons. This will come at a time when drought in Russia and the United States is wiping out wheat crops and Canada has had a very poor crop.

These factors will almost definitely mean calls for a high price increase from South African wheat farmers. Coupled with any removal of the wheat subsidy, it would have a serious inflationary effect

on the price of bread.

Mr van Aarde said he doubted the SAAU report would "serve the purpose they seem to have at the back of their minds. Bread is a staple food. About 1 400-million loaves are consumed each year."

Mr Tony Bloom, chairman of Premier Milling, said both maize and wheat (bread) needed to be subsidised.

He considered a rise in the maize subsidy advisable but not at the expense of bread. "The maize price subsidy is now less than 10 percent. A R141-million subsidy on it, as with bread, would have a ripple effect through the economy. It would help other products drop in price, but only by a few cents."

Wheat ^{23/9/80} may be ⁷⁷ next for ^{3 page} import

By TENDAI DUMBUTSHENA
'Mail' Africa Bureau

SALISBURY. — Zimbabwe is already importing maize from South Africa while it struggles to restore self-sufficiency in its crippled food production.

Now it faces the prospect of being forced to import wheat unless the situation improves.

But agricultural sources say there is no food crisis, and the Commercial Farmers' Union is confident that the Government's pragmatic approach will assure an upsurge in agricultural production.

Zimbabwe has ample stocks of wheat, but unless there is substantially increased production, there will be shortages within the next 12 months.

Mr A B Long, acting general manager of Zimbabwe's Grain Marketing Board, said yesterday that there were ample stocks of wheat at the moment, and a new crop was expected in October.

But he added. "With consumption going up, however, there is a possibility of a shortage in 12 months."

Mr Long said Zimbabwe had been self-sufficient in wheat for

the past 10 years, but confirmed that maize production had lost ground

"We started importing maize from South Africa nine months ago because of two successive droughts."

"We are no longer exporting to black countries to the north of us because of our own critical supply situation," he said.

He could not give an estimate for the amount of maize Zimbabwe was obtaining from South Africa. "The volume fluctuates," he said.

Another source said there was no food crisis in the country, despite numerous problems

The source added that food production was still adequate to feed Zimbabwe, although it had lost its capacity to export because of the war and rampant stock theft.

"The beef supply is at present equal to demand, but we expect an improvement," he said.

Stock theft has been drastically reduced and Zimbabwe is expected to regain its position as a major beef exporter within the near future

Amazing political battle

SAC
23/9/80

3 MAIZE

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TO ALLOW FLEXIBILITY IN PRODUCTION SCHEDULING

The maintenance of higher levels of finished goods inventory relieves the pressure on the production system to get the goods out. This gives longer lead times, which allow not only production planning for smoother flow but permit lower-cost operation through more economical lot size production. High set-up costs, for example, favour the production of a larger number of units once the set-up has been made.

Farming Correspondent

In maize politics, election fever is running high.

The two competing maize farmers' groups, the officially recognised S A Maize Speciality Organisation (Samsa) and the officially ignored S A Maize Producers Institute (Sampi), have agreed to disband.

A new united organisation will be established by a congress on October 3.

The election of delegates will take place on September 30 and regular election campaigns have been mounted by supporters of the two defunct organisations.

At stake is the organisational set-up of the agricultural unions.

Sampi says the country's 40 000 maize farmers should form a strong, autonomous union affiliated to the SA Agricultural Union.

Samsa, on the other hand, wants the maize union not to be an affiliated body, but a "fully integrated" part of the

a more gradual... this higher demand and permits a... ment level with lower capital investment.

Saau, and as such subject to the Saau general council.

Emotions are running as high as the Vaal River in flood.

Even the Broederbond has become a maize issue, although its members appear to be prominent in both groups.

A recent election pamphlet published by Samsa, roundly calling the Sampi leaders "liars", has badly boomeranged.

Mr Hennie de Jager, vice-president of Sampi, said in Bothaville this week his organisation would not reply to the "liars" pamphlet.

He foresaw difficult maize price negotiations and called on maize farmers to close ranks.

Rampant cost inflation in the maize industry had already overtaken this year's maize price increase.

Either the maize farmer would go under or the next price increase would have to be so large that it would send shock waves through the economy, Mr de Jager said.

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4/10/30 RDM & maize

Maize body brings unity

POTCHEFSTROOM — Unity has been achieved in the maize industry with the establishment of a new speciality organisation.

Potchefstroom yesterday 240 delegates carried a motion to this effect. The new organisation will have its own constitution and will be affiliated to the South African Agricultural Union.

At the founding congress at

SA's maize farmers bury hatchet

STAR 4/10/80
3 maize

Farming Correspondent

POTCHESTROOM — After marathon discussions, a new unified maize farmers' organisation was formed here yesterday.

The founding congress of what was provisionally to be called the Maize Speciality Organisation (MSO) was opened by the Minister of Agriculture, Mr Hendrik Schoeman, who said he felt gratified and that efforts to bury the hatchet between the SA Maize Speciality Organisation (Samsos) and the SA Maize Producers' Institute (Sampi) had finally succeeded.

Most of the principles which had been advocated by Sampi during 14 years of strife were now adopted, some unanimously.

The MSO is to be loosely affiliated to the SA Agricultural Union, and not fully integrated into it as Samsos had been.

The 340-strong congress to which delegates had been chosen by all South African maize farmers in a hard-fought election on Tuesday, ended in a spirit of reconciliation and constructive co-operation.

The president and vice-president of Sampi, Mr Faan Ferreira and Mr Hennie de Jager, were elected president and vice-president of the MSO.

The other 18 members of the council, who represented maize production regions, were evenly divided between former Sampi and Samsos members.

Maize men oust politics from new body

S. Times
5/10/80
By GHERHARD PIETERSE
ANTY-BROEDERBOND

In this week when they dominated the founding congress of a new maize speciality organisation held on the campus of the University of Potchefstroom.

On most proposals, delegates of the rebel South African Maize Producers' Institute (Sampl) outvoted the South African Maize Speciality Organisation (Samso), which has been favoured by the Government and which has powerful connections with the Broederbond.

Majority

By this Sampl ensured its domination of the new, and still formally nameless,

organisation. Although both Sampl and Samso were officially disbanded last month after a countrywide poll that was fought with the fervour of a general election, congress delegates made no secret of their loyalties.

Headquarters

They openly identified themselves as either Sampl or Samso men — with the Sampl camp having a clear-cut majority.

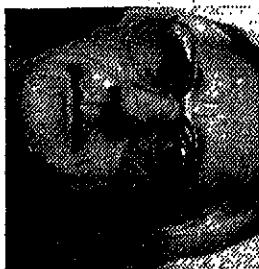
"We have been out in the cold for the past 14 years and now we will vindicate our belief that the Broederbond men, who ruled Samso did not have the best interests of the farmer at heart," a Sampl delegate told me.



FANIE FERREIRA
Head of new organisation

Despite pleas by the outgoing Minister of Agriculture, Mr Hendrik Schoeman, that maize farmers should forget the past and bury the hatchet, feelings ran high throughout the one-day congress.

The former chairman of Sampl, Mr Fanie Ferreira, and vice chairman, Mr Hen-



HENNE DE JAGER
Re-elected

me de Jager, were elected to the same positions in the new organisation.

There is also a strong possibility that the headquarters of the new organisation will be seated at the former Sampl offices in Bothaville in the Free State.

A proposal made by Sampl

delegate Mr Craford von Abo of Bothaville that the new organisation should carry the name Sampl, was greeted by howls of anger from the Samso camp.

Problems

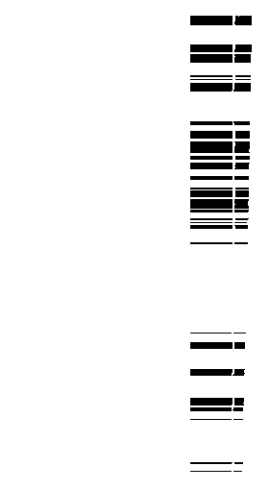
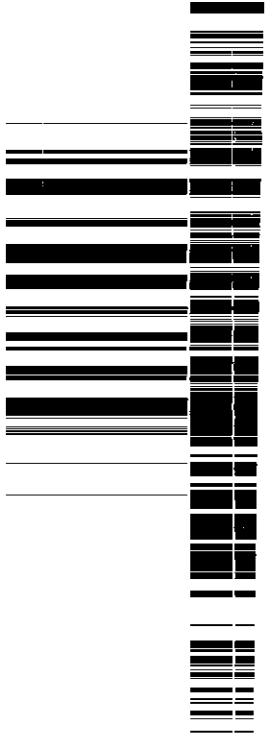
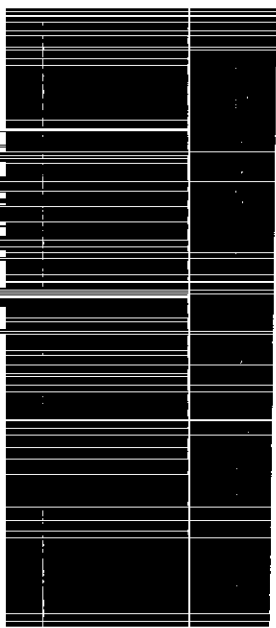
After a lengthy debate in which speakers from both sides made impassioned pleas for unity, no name was decided on.

A resolution that the new organisation would apply for affiliation to the South African Agricultural Union was carried.

But both camps predicted "problems" in this field. This was confirmed by Mr Jaap Wilkens, a senior official of the SAAV, speaking as a delegate and a maize farmer.

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MAIZE FM 11/10/80

Peace at last

At a founding congress in Potchefstroom last week, South Africa's maize farmers agreed that they would in future be represented by one autonomous organisation which would become an affiliate of, but not subservient to, the SAAU. It was a move with far-reaching implications.

This brings the long-standing battle between two warring factions to an official end. But it could also prove to be the signal for the beginning of a whole series of new insurrections.

For the producers of other commodities could now seek to wrest negotiating power from the SAAU and the central co-operatives which appear, at present, to dictate its policies.

The fiercely independent SA Maize Producers' Institute (Sampi) has been fighting for years for the right to negotiate directly with government on behalf of the maize farmers. But the SAAU has always opposed this.

First, it denied the need for a maize speciality organisation at all. Then, when Sampi had demonstrated beyond any doubt that the farmers were intent on having one, it attempted to fob them off by spawning its own substitute, which it called the SA Maize Speciality Organisation (Samso).

In spite of heavy subsidisation from the co-operative movement (via the SAAU) and the government (which helped to nurture it with compulsory but unpopular producer levies), Samso has never looked

particularly convincing. Indeed, the money lavished upon it from above seemed chiefly to convince the maize farmers that it was there to represent interests other than their own.

The voting at Potchefstroom proved the point. Since Sampi supporters had assured themselves a handsome majority of 56 in the previous week's election to choose the 340 delegates for the congress, it came as no surprise that their ideals would be transplanted into the new organisation. Even so, the clean sweep they made will have come as a body blow to the SAAU and the co-operatives.

The chairman and vice-chairman of the new maize organisation (as yet unchristened) will be Fanie Ferreira and Hennie de Jager, both Sampi men.

The co-operatives are to be given no say at all in its deliberations and politicians will be kept at arm's length by a ruling which insists that anyone who offers himself for election to parliament or a provincial council must resign immediately from the organisation's council.

The maize farmers also decided that they should keep to themselves the right to nominate all eight producer members of the maize board. Previously four have been put up by the SAAU and four by Unigraan, the industry's central co-operative.

The repercussions of this meeting promise to shake organised agriculture to its core.

If the new organisation has its way, several members of the Maize Board are likely to be removed, including the chairman, Ben Wilkens, who presumably disqualifies himself by being a Member of Parliament as well as an original promoter and former leader of Samso.

His brother, Jaap Wilkens, who is president of the SAAU, tried in vain to outflank the Potchefstroom meeting by proposing that membership of the new body should be restricted to farmers who are already members of one or other of the farmers' associations belonging to the union.

But the independent farmers were in no mood to give him or the two inland provincial agricultural unions any more influence than they have already. Both the Free State union and that of the Transvaal had made the silly mistake of advising their members to vote for the wrong side.

SOUTH African maize exports for the 1980-81 marketing season, May to April, have been revised up by 400 000 tons to 3 850 000 tons from the estimate a month ago and 2 330 000 estimated for 1979-80, says the Maize Board.

The estimate is based on deliveries to the board up to September 15.

It says the main reason for the higher estimate is that deliveries rose to 9 900 000 tons from 9 410 000 tons the previous month.

Closing stocks at the end of April 1981 are put at 1 250 000 tons against 1 150 000 estimated last month.

In September 126 000 tons of yellow maize was exported at

RDM 17/10/80

More export maize

③ MAIZE

an average price of R128,11 a ton against August's 140 000 tons at R127,40. No sales of white maize took place in August or September.

Last month, the Department of Agriculture's final official crop estimate put output at 10 230 000 tons — sharply up from production of 8 240 000 tons the previous season. — Reuter.

Prospects for maize look up

3 (maize)
com
28/11/50

RAIN in maize-growing areas has improved prospects for the 1980-81 crop — September to April — says a National Maize Producers Association spokesman.

But plantings are still four to six weeks behind schedule because of a long dry spell.

Maize plantings normally finish by the end of October, but this season plantings are continuing in many areas.

Earlier this month, grain merchants Kahn & Kahn said that unless good general rains fell by mid-November it would be too late in many areas for farmers to plant maize and possibly other major summer grains.

The merchants noted that some rain fell in September, enabling farmers to plough, but plantings were deferred.

Kahn & Kahn says good rains over the past few days have produced a much brighter outlook for the 1980-81 crop. However, the far Western Transvaal and parts of the Northern Free State need more rain to assist plantings.

The producers' association spokesman says a similarly delayed crop occasionally occurred in the 1960s and bumper crops materialised when the weather continued favourable from November onwards.

The spokesman said, however, the normal weather pattern of a dry January and early

frosts in April could reduce production.

He forecast 1980-81 maize plantings would be little changed from last season's 4 620 000 hectares.

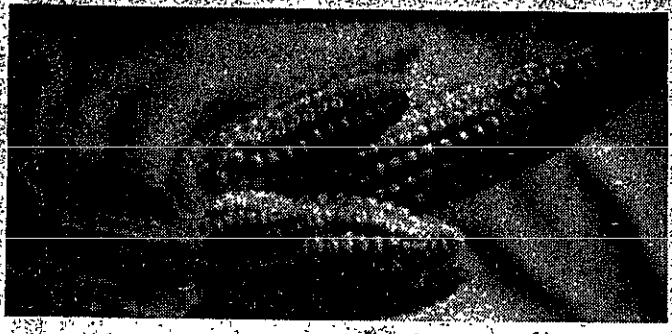
Official planting figures for the season will be available about February.

The final official estimate of the 1979-80 crop is 10 230 000 tons against output of 8 240 000 tons the previous season, says the Agriculture Department.

The producers' spokesman said yields could be lower this season although the total area planted to maize might hold steady.

Wind erosion in some areas, particularly the north-western Free State, necessitating replantings, would also make production costs abnormally high this year. — Reuter.

Veelboere Verdien baie meer



Deur FLIP MEYER
SUID-AFRIKA se melleprodusente het in die afgelope seisoen 'n rekord-verdiensle behaal, wat 22,7 persent van die totale landbouverdiensle verteenwoordig.

Die mellebedryf se verdienste het vanjaar met byna 50 persent gestyg, wat die groei van die bedryf oor die afgelope vyf jaar die grootste van alle groot boerderye maak.

Volgens die Departement van Landbou se jongste syfers het die melleprodusente se totale bruto verdienste in die afgelope boekjaar met 47,5 persent tot R1 295 miljoen gestyg, wat die styging in die verdienste in die afgelope vyf-jaar op 156,3 persent te staan bring.

Die omvang van die melleprodusente se verdienste is geweldig as dit

met ander boerderye vergelyk word. Die bruto verdienste van die melleboere is baie hoër as die van al die landbouboere, wat wyn-, vrugte-, groente en teeprodusente insluit.

Daar moet egter in ag geneem word dat die melleboere in die vorige seisoen, die 1978/79-seisoen, 'n baie swak jaar gehad het. In die jaar was die bruto verdienste van die produsente baie laer as in die 1977/78-seisoen.

In die afgelope tien jaar het die melleprodusente se aandeel aan die totale landbou ingrypend toegeneem — van 15,7 persent in 1968/69 tot 22,6 persent in die afgelope seisoen. Die syfers van die Departement van Landbou is die werklike bruto verdienste van melleboere en sluit geen bemarkingskoste in, wat afgetrek moet word nie.

As daar na die drie hoofgroepe van ons landbousektor gekyk word, die akkerbou, tuinbou en vee-teel, dan is dit duidelik dat die akkerbou-boere se verdienste die afgelope vyf jaar die meeste gestyg het.

Die akkerbou-boere, van wie die melleboere verreweg die grootste verdienste lewer, se inkomme het die afgelope vyf jaar met 125 persent geklim, teenoor 78,9 persent in die geval van tuinbou. Die vee-teel-boere was die slegste daaraan toe deur dat hul verdienste in die tydperk met 64 persent toegeneem het.

In reële syfers sal die stygings aansienlik laer wees, weens die skerp toename in die inflasiestoekers.

Wanneer die 1980-syfers met verlede jaar se syfers vergelyk word, lyk die prentjie vir veeboere nie so donker nie, want volgens die Departement van Landbou het hulle bruto inkomste in die tydperk met 21,9 persent gestyg. Die styging is egter steeds laer as die styging in die bruto inkomste van

tuinbou- en akkerboere. Wat akkerbouboere betref, het hulle bruto inkomste in die afgelope jaar met 42,2 persent gestyg, teenoor die 24,4 persent van tuinboere. Die styging in tuinbou-boere se verdienste was dus effens hoër as die van veeboere.

As daar na individuele boerderye gekyk word, toon dit hoe swaar sommige die afgelope jaar weens droogtes gelewe het.

Die suikerboere het besluitrede om te kla, want hulle totale bruto verdienste het die afgelope jaar met net 15,7 persent gestyg en die afgelope vyf jaar net met 37,8 persent. Teen die huidige hoë inflasiestoekers kan sulke lae verdienstesstygings nie 'n groot opbrengs op kaptal laer nie.

Die wynboere se totale verdienste het in die afgelope boekjaar net met 16,7 persent gestyg, terwyl die verdienste in die afgelope vyf jaar net met 46,7 persent gestyg het. Dit is hoofsaaklik te wyte aan die skerp daling in die wynverbruik. Suid-

Arrika se wynbase is egter optimisties oor die toekoms van die bedryf en verwag 'n toename in die wynverbruik.

Die skerp styging in die prys van beesvleis word duidelik deur die Departement van Landbou se jongste syfers weerspieël.

Die bruto waarde van beesste en kalwers gestig, m.a.w. die bruto verdienste van die boere, het die afgelope boekjaar met 30,8 persent gestyg, terwyl die styging in vyf jaar 92,6 persent is.

In die geval van hoenders was die afgelope boekjaar se styging 21,1 persent, en in die afgelope vyf-jaar 78,9 persent. Die huidige skerp styging in die prys van hoenders sal eers deur aanstaande jaar se syfers weerspieël word.

DIE tabel toon die bruto waarde van afsonderlike landbouprodukte vir die afgelope boekjaar en die persentuele styging teenoor verlede jaar. Dit toon ook die styging in die waarde in die afgelope vyf jaar. Die bruto waarde verteenwoordig die bruto inkomste van boere en sluit geen bemarkingskoste in nie. Die ontteding is gegrond op die jongste syfers van die Departement van Landbou.

Boerdery	Bruto waarde in R1 000	Styging in 1 jaar	Styging in 5 jaar
Mielies	1 295 281	47,5%	156,3%
Aartappels	115 266	47,8%	52,9%
Sulkerriet	290 930	15,7%	37,8%
Wynbou	116 000	16,7%	46,7%
Sagte- en ander vrugte	206 767	22,7%	78,8%
Beeste	624 352	30,8%	92,6%
Hoenders	317 392	21,1%	78,9%
Suiwel	144 712	26,9%	52,8%

Melleboere vaar heelwat beter as die res.

Maize price threat after export loss

3 (maize) STAR 12/12/20

By Hannes Ferguson
Farming Correspondent

Maize export losses are building up to a financial disaster — and the consumer may have to foot the bill.

Maize production costs have already risen by about 15 percent this summer.

This will increase the consumer price by nearly 15 percent. It will also pile yet more losses on to the giant export deficit for last summer's maize.

This is now reckoned at about R120-million.

Economists are now asking who will foot the bill for the burgeoning losses.

The consumer will have to pay either through higher prices to help cover the export loss or through taxes in the form of a Government subsidy.

Economists prefer a direct Government subsidy.

Earlier this year it had been estimated that the export loss for last summer's crop would be about R140-million.

But slight increases in overseas grain prices may have reduced this loss to about R120-million.

At present the break-even price for exported maize is R158 a ton, although the price fetched by South Africa is only R140 a ton.

As the domestic price increases, so the break-even point will increase as well, and the prices fet-

ched overseas are unlikely to keep track with this.

Earlier this year the Government agreed to cover the expected export losses through a R10-million subsidy plus a R75-million loan to the Maize Board additional to the R55-million raised from farmers by way of levy.

According to agricultural economists, it will be impossible to finance export losses on this summer's maize in the same way.

● Bophuthatswana's maize production had rocketed by more than 1 000 percent to 80 000 tons in the past four years; the Bophuthatswana Agricultural Corporation said in a statement in Mimbatho today according to Sapa.

● See also Briefing.

Comparing the Population Census / S A Statistics estimates with the Current Population Survey one notes :

(1) reasonable agreement (within 10%) for mining, manufacturing, electricity, transport, storage and communication and services employment;

(11) rather poor agreement on the numerically not very important finance sector;

(111) good agreement between construction (series A) and construction (total CPS), raising a query about the appropriateness of the series B adjustment;

(1V) a large discrepancy between employment in commerce as measured by the CPS and by S A Statistics. I have suggested elsewhere (Simkins, 1979a) that the CPS is measuring mainly female population which is self-employed in trade and which is not counted in the formal sector employment estimates of the Quarterly Bulletin of Statistics. The discrepancy suggests an informal sector

13/12/60 20m
Policy change may cut huge maize export loss (maize)

'Policy change may cut huge maize export loss'

By MARIKA SBOROS
THE huge maize export losses facing South Africa could be avoided in future if the Government's Industrial Protection Policy was changed.

This is the view of Professor Jan Groenewald, head of the Department of Agricultural Economics at the University of Pretoria.

Prof Groenewald was commenting on the reported massive maize export losses which have been estimated at about R120-million, and fears that the consumer will have to foot the bill.

The Industrial Protection Policy, in which local industries are protected against

overseas competition by an import duty, had an indirect bearing on export losses.

"It can be leading us into trouble," Prof Groenewald said.

Prof Groenewald suggested that the policy be changed and a different mechanism considered to reduce local costs.

The internal maize price was fixed every year. One of the considerations in fixing the price was the local cost of production.

"If machinery or fuel prices rise faster than say in the United States or Hungary, then our international competitive position is weakened," Prof Groenewald said.

Prof Groenewald said it was a valid criticism that the Government was allowing large quantities of maize to be exported at a loss when there were needy people at home.

"This raises the question of whether the Government should in principle subsidise local human consumption," he said.

"If food prices are at such a level that lower income groups cannot afford them, there's a problem."

He explained that maize export losses occurred from time to time and were an international phenomenon.

The size of the United States' crop had a profound effect on

grain prices internationally. South African white maize was a very desired product, particularly in Europe, and this preferential demand should be pampered, he said.

He also said he would prefer to see the Government contributing an amount which would be used as a subsidy for maize as a stock feed in South Africa, rather than a subsidy for the European stock feeder.

"Most of our maize exports to Europe and Japan are used as stock feeds. If we use Government funds to bolster our exports of yellow maize, which is used almost exclusively as stock feed, we are in effect, subsidising the European stock feeder," he said.

in Durban and Pietermaritzburg have fallen into severe poverty' (Stimkings, 1978b: 65) and surveys in Lebowa and Kwa Zulu have revealed that households of 44% and 49% of unemployed respondents are in receipt of no wage income at all. (Stimkings, 1978b: 84)

(iii) that in the light of the size of the marginal pole being subject to the outcome of continuous 'negotiation' between it and a vastly more powerful advanced bloc, proposals to reduce South African unemployment by expanding informal sector employment vastly must be regarded as naively sanguine. This is not to deny that some scope for expanded employment in the metropolitan and urban areas exists; the extent of informal sector in the squatter settlement at Crossroads in Cape Town suggests this (see Maree and Cornell, 1977).

It is, however, important to realise that Erwin has not done two things :

(i) he has not demonstrated what features of South Africa's

Zimbabwe ^{Zimbabwe} ^{Star} to oust SA ~~as~~ ~~as~~ ^{3 (maize)} maize supplier

By Brandon Nicholson,
The Star's Africa
News Service

SALISBURY — This year's bumper maize crop has set Zimbabwe to take over from South Africa as a major supplier to Southern and Central Africa.

The weekend announcement by Commercial Farmers' Union president Mr David Spain that the total crop was expected to reach 1.8 to 2.2-million tons was today greeted

with euphoria.

Various countries, Zambia in particular, have lately had to swallow their political pride and buy hundreds of thousands of tons of maize from white-ruled South Africa.

Now nations such as Mozambique, Zambia, Angola and Zaire will almost certainly be able to make up their own expected shortfalls by buying from Zimbabwe.

The crop is the largest produced in Zimbabwe and its size is seen as vindicating Prime Minister Robert Mugabe's pragmatism in building his socialist policies around the existing free enterprise system and of the decision by most white farmers to "give it a go" in the new Zimbabwe.

Mr Spain gave three main reasons for the spectacular result:

- The end of the war,
- The Government's "bold" decision to increase the guaranteed price to farmers from just over R100 a ton to more than R150,

- The fact that many farmers changed from growing tobacco to maize after the Government restricted the size of the national tobacco crop in a bid to improve flagging sales floor prices.

As a result, the area under commercial maize production jumped from 225 000 ha to more than 300 000 ha.

Zimbabwe's home maize needs are expected to be about 900 000 tons, which will leave the rest for export.

That surplus is sure to be seen in black-ruled countries as a significant boost to their plans to reduce economic dependence on South Africa.

Ironically, at least one of them, Zambia, could make a similar dramatic production increase if President Kenneth Kaunda heeded the pleas of his own commercial farmers' organisation to make maize growing viable.

R10-m lost as weed killer hits maize

Stam
(maize)
29/12/80

By Hannes Ferguson, Farming Correspondent

Farmers have suffered more than R10-million damage to maize fields after spraying with grass-killing chemicals.

Maize producers blame the Department of Agriculture for huge losses caused this season by weed killers meant to destroy only grass. They feel the way chemicals are being tested for safety before they are officially registered leaves much to be desired.

According to Dr Pieter Gouws, a director of the SA Maize Producers Organisation, up to 100 000 ha of maize fields might have been either totally or partially destroyed.

So total damage might be more than R10-million.

Many farmers would be made bankrupt by serious losses on a crop where profit margins had already been cut to the bone.

Farmers' hardest hit were leading maize producers of whom Dr Gouws was sure that they had followed spraying instructions to the letter.

He said that most damage had been caused on sandy soils where heavy rains had followed the use of the weed killers. This could not have been caused by farmers all ignoring printed instructions for use.

The result of the debacle would be that farmers would revert to high-cost mechanical weeding which was sure to increase cost of production and thereby lead to higher consumer prices for maize and other farm products.

The registrar of fertilisers, insecticides and weed killers, Mr C S de Villiers, declined to comment.

He said that the Department was still investigating the claims and questioned the dosages and spraying methods used by the complaining farmers.

AGRICULTURE - OTHERS.

MAIZE.

18/1/81 — 21/11/81

Metro defies Tiger mealie price roar

8/11/81
3 maize
27/7

By Ian Wynne

BATTLE lines have been drawn between two corporate giants following an attempt to force up the price of mealie meal, the staple diet of millions of South Africans.

Put up your prices or else, the giant Tiger Oats milling company told Metro Cash and Carry this week — and the wholesalers effectively told their suppliers to go to hell.

The result is that Tiger Oats has cut off supplies of mealie meal to part of the Metro group.

Metro chairman Lionel Katz is adamant he will not raise prices to levels demanded by Tiger.

"I will not be threatened," he said. I will not let any manufacturer, no matter how big, dictate to me the prices at which Metro will sell goods, not even Tiger, which is a major shareholder in Metro."

Tiger's chairman, Rudi Frankel, says his company is not practising retail price maintenance and is willing to discuss the matter with the authorities.

His decision to cut off the supply of mealie meal to the Louis Trichard and Tzaneen branches of Metro was made after an outcry from Indian and black traders who accused Tiger of giving preferential treatment to Metro when they saw mealie meal being sold at a price at which it was impossible for Metro to make a profit.

Metro is probably the biggest wholesaler of mealie meal in the country, buying almost R40 million worth a year from milling companies, of which Tiger Oats is one of the largest.

Tiger's actions are unlikely to cause a shortage, however, because there is a glut of mealie meal. Metro is getting supplies from another source, Premier Milling.

Mr. Katz says the clash between the two giants, Tiger and Metro, is confined to the Northern Transvaal but it could extend to other areas if disagreements are not resolved.

"It is the principle that is at stake — should a manufacturer be able to dictate the price at which his goods are re-sold? I say not — and I will fight

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"I'm in business to bring the lowest possible prices to my customers."

Mr Frankel says: "We had to weigh the small fraction of business done by Metro against the goodwill of hundreds of traders in these areas."

Tiger has always backed Metro in its policy of serving the small trader. "But in this instance it was the small trader who was suffering and this price cutting was causing real grievances."

BUILDING

(Continued)
ARCHITECTURE

80 2011/81 3-Maize
74

Maize exports rose sharply during 1980

EAST LONDON — Maize exports from the East London grain elevator rose sharply during 1980.

In that period 2 429 352 tons of maize were exported compared with 1 515 753 tons the previous year.

The general manager of the Maize Board, Mr H. Nel, said in Pretoria yesterday that the quantity of maize being handled in East London depended on the exportable surplus.

"If a good crop is harvested, the excess quantity is exported through either Durban or East London," he said.

The acting port manager, Mr A. Serfontein, said the figure exported during 1980 was not a true reflection of the maize crop. He said the maize season runs from May 1 until April 30 of each year and the figure of 2,4 million tons overlaps two seasons.

A spokesman for the grain elevator said that during the 1979/80 season, 1,8 million tons were exported, while 1,6 million tons had already been exported by December 1980.

The spokesman said that if an average of 200 000 tons of maize is ex-

ported each month until April, an export record might be set.

Mr Nel said the storage capacity of the East London grain elevator was twice that of Durban and since East London's only export crop was maize, there was no need to take up valuable storage space in Durban.

He said he was concerned about the maize prospects for 1981/82 as rain was needed.

Mr Nel said moderate rain in February and March would save the crop and enable the Maize Board to continue with its export programme.

MAIZE EXPORTS LIKELY TO RISE

(Mango) (74)
Special Finance
Correspondent

SOUTH AFRICA'S maize exports, particularly to non-African countries, are likely to rise sharply this year, according to grain traders in Johannesburg.

One reason for the increase is the expectation of a crop substantially larger than the 10,2 million tons harvested last year. Although the Maize Board's first official estimate of the 1981 crop will not be known before March, soaking rains in maize-growing areas in the past fortnight have encouraged forecasts of a crop between 10,5 million and 10,1 million tons.

Total exports are likely to rise from 3,7 million tons in the season ending on April 30 to just over four million tons in the 1981/82 season.

Of last year's exports, between 600 000 and 700 000 tons were shipped to other African countries, including Zimbabwe, Zambia, Mozambique, Zaire and Kenya.

Prospects of a record crop in Zimbabwe this year will result in a sharp fall in South African maize exports to these countries.

As a result, exports to non-African destinations may increase by as much as 1 million tons this year. The maize Board has already begun stepping up its export programme. It has offered 27 cargoes of maize for shipment in April, compared to 20 in March.

South Africa's largest maize customers are Taiwan and Japan. However, several countries which claim to boycott South African products, including Iran, Venezuela and some African states, have bought sizeable quantities.

Unfortunately, the higher export surplus coincides with a downturn in world maize prices. South African tender prices are currently around R120 a ton, compared to R128 a ton in mid-January, and a record last December of R135.

SA expects best maize crop ever

By GERALD REILLY
Pretoria Bureau

A RECORD maize crop — about 40% higher than the previous best harvest — is expected for farmers this season.

The crop, which will also be the richest in South African history, has resulted from ideal weather in most growing areas.

An adverse factor for the new season's exports, however, is the expected record crop in Zimbabwe.

That country will now be in a position to supply places like Zaire and Zambia, which normally import from South Africa — and at economic prices, because of the lower transport costs.

This contrasts dramatically with Zimbabwe's position soon after independence, when it had to import South African maize.

Predictions are that the South African crop could reach the unprecedented level of 13-million to 14-million tons.

Local consumption will take care of about 7 000 000 tons, leaving at least 6 000 000 for export.

Railway officials and the Maize Board are now planning how to programme the moving of the massive crop.

Farmers' gross earnings from the record harvest could exceed R1 900-million if the price of maize is increased — as it is expected to be — to about R145 a ton. The present gross is R122 a ton.

The golden harvest will throw up huge problems, however, including heavy export losses. Losses have been consistently suffered on the last season's exports of about 3 700 000 tons. The current loss is more than R30 a ton.

If prices on international markets remain constant, therefore, the losses on a 6 000 000-ton surplus would soar to nearly R200-million.

The world market price in January was R126.43 a ton. Just

to get a ton of maize to the coast by rail now costs more than R40 if the higher rail rates are taken into account.

To meet the current season's export losses, farmers were levied about R6 a ton. The new season's levy, which will be announced with the new maize price in April, could be higher.

The biggest buyers of South African maize are Japan and Taiwan. So far this year Japan has bought half a million tons, Taiwan a quarter of a million and the United Kingdom about 140 000 tons.

One problem thrown up by the record harvest is that, because much land has been planted with maize in wheat-farming areas, a wheat shortage is virtually inevitable, and the country will again have to import wheat next season. It is already being imported to supplement this season's crop.

DAVID FORRETT of the "Mail" Africa Bureau reports from Salisbury that Zimbabwe is expecting a record crop of between 1 600 000 and 1 800 000 tons.

In its first post-war season, Zimbabwe now appears poised to lessen Africa's dependence on South Africa for food.

Several countries are likely to knock on Zimbabwe's door for food, as the country has been charged with the task of preparing a food security plan for the Southern African Development Co-ordinating Conference.

The "Southern nine" — Zimbabwe, Botswana, Lesotho, Swaziland, Zambia, Angola, Malawi, Mozambique and Tanzania — are working on a number of long-term plans to lessen their dependence on Pretoria in most fields.

Senator Denis Norman, Zimbabwe's Minister of Agriculture, said this week that his country had a leading role to play in promoting food security in central and Southern Africa.

Maize price major factor in inflation

Consumer Mail

1001 4/5/81 (3 moved)
153 244

THE maize price was one of the major contributing factors to food inflation in South Africa, Mr Russel Stevens, chairman of Tongaat Foods and Seeds, told the Consumer Mail conference on the food price crisis.

Speaking during debate on control boards, administered prices and Government interference, Mr Stevens said on Monday that maize was a significant input factor in most foods produced.

It accounted for 80% of milk production costs and 52% of chicken production costs, he said. The maize price had increased 71% over the past three years. The subsidy on maize had been reduced and the international price had dropped to about R100 a ton, while the price on the domestic market was likely to be R140 a ton.

"Anybody could grow maize inefficiently," Mr Stevens said pointing out that the maize industry was not, as was commonly believed, in the hands of large, efficient units, but instead in the hands of small inefficient farmers.

MAIZE

③ maize

FM 6/3/81

Problems in surplus

This year's maize crop is going to be a bumper one. Although the first official estimate isn't due until the middle of the month, there is widespread agreement that all previous records will be broken.

Early guesses of up to 14 Mt are considered optimistic, but a yield of 12,5 Mt to 13 Mt is certainly on the cards. That is a quarter up on last year and comfortably in excess of the previous record of 11,1 Mt set in 1974. In anticipation of an unprecedented intake, the Maize Board has been running down its stocks as fast as the Railways can shift them to the ports.

Even so, there will be a carry-over of about 1,4 Mt when the new season starts at the end of April. When the new crop is added there will be a total of more than 14 Mt available. Less than half of that will be needed for local consumption. In theory, therefore, there should be something like 7 Mt to export.

That is where the problems begin. Firstly, it is unlikely that the Railways will be able to move it all. Secondly, the cost of getting it to the ports is so high that the Maize Board stands to lose heavily on every ton it sells overseas.

The most maize the SAR has ever managed to shift to the harbours in one year is 3,7 Mt. With improved capacity, longer trains and greater efficiency, it should be able to beat that record. But the actual tonnage will be influenced by the availability of trucks and the competing demands of coal and other commodities, which will also need to be moved in larger volumes now that the economy is so buoyant.

Fortunately, storing the maize will present no problem. What cannot be squeezed in bulk into silos can always be stacked in bags. But bag storage is more expensive and this will add to the Maize Board's main concern, that of financing an enormous export tonnage which can only be disposed of at a loss.

With the free alongside elevator price hovering between R120 and R125/t and the cost of transporting to the ports topping R35, the board is losing up to R40 on every ton it sends overseas.

That figure is based on last season's purchase price of R122/t. If the farmers are to get anything like the R145/t they are hoping for this year, those losses will soar.

As it is, the board's stabilisation fund seems set fair to start the new season R40m in the red. Unless government steps in with an enormous subsidy or pokes the local consumer price through the roof, that overdraft is going to rocket. And the

higher the minister puts the producer the uglier the sums will look. That is one good reason why the maize price won't be raised as much as farmers hope.

Another reason is inflation. Whether the government wants to blame rising prices on cost-push or demand-pull factors, it must be painfully aware of the likely economic, as well as political, repercussions of a higher price for a staple commodity that accounts for 40% of our farmers' turnover.

is well set to capture or re-capture most of the lucrative markets which SA has recently enjoyed to the north.

This is particularly ominous for the producers of the white maize cultivars, which are used for human rather than animal consumption. Last year they were given a premium because the narrow world market for white grain was under-supplied and ours were the only producers capable of fulfilling orders.

This year the tables will be turned. The



Maize . . . plenty to export, but at what cost?

The cost-push theorists in the Cabinet will balk at the thought of ripples running through the livestock industry and labour markets. The demand-pull school will be unhappy at the prospect of R1 800m being released into the hands of an already flush segment of the farming community.

Logic dictates that Agriculture Minister Pieter du Plessis should seize the opportunity of a larger crop to hold down the SA producer price of maize and, thereby, bring it more closely in line with world markets.

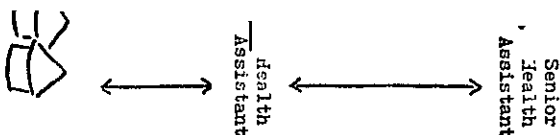
Such a policy would be in accord with the Jacobs Commission thinking. In its report, the commission recommended that pricing policy should in future be aimed at securing income stability rather than price stability. Taking that as his cue, Du Plessis could well argue that his fellow farmers don't need or deserve a price rise at all.

It would be an unpopular announcement to make ahead of an election. But if that's the only problem, the timing of the announcement could be delayed.

□ Meanwhile, Zimbabwe is expecting an abnormally large crop as well. With 1,8 Mt of maize in the offing, the country

white maize market, which is almost entirely an African one, is going to be saturated and our Maize Board will be perched atop the greater part of the world's surplus.

Personal Health Care
The convenience, the description of the system will be divided into aspects of personal health care, environmental health services and
e have analysed the health problems and we know what needs to be done to counteract them. Our challenge is to provide a system of comprehensive health care which will reach the people who need it most in ways which yield the greatest benefits, and yet are within the country's financial capabilities. By comprehensive health service we mean a system of health care (and I quote) which must "reach into the communities and homes, and influence patterns of living - the construction of dwellings, the protection of water, the delivery of medicines, the feeding of children, the size of families". (Bryant 1971)



(Fig. 1)

By Hannes Fergusson
Farming Correspondent

Maize farmers expect a record crop of more than 13-million tons — and they will have difficulty in finding somewhere to store it.

The resources of co-operatives and other agents who receive the grain as well as those of South African Railways who transport it to harbours and inland distribution centres will be severely strained.

Silos are being emptied but this will be completed only in the middle of June while farmers expect to start delivering the new crop from the beginning of May. Co-operatives are also speeding up the

Record maize crop has its problems

12/3/81 SIM
3 (news)

construction of new silos but only a few will be ready for the new crop.

Storage facilities are being improvised and about three-million tons will have to be stored in bags instead of in silos.

The Maize Board is stepping up its export programme but as the SAR can handle only about 450 000 tons of export maize a month harbour facilities in Durban will have to be switched to

handling maize which is normally routed through East London. But the SAR expects to be able to cope and no crisis is foreseen.

The National Maize Producers Organisation expects difficult price negotiations because the large crop will mean a heavy export loss. Exported maize currently incurs a loss of R30 a ton.

Farmers feel strongly that the board and the

Government should accept that maize has become an export commodity. Of the 13-million tons produced only about six-million tons will be sold on the domestic market.

The record crop is the result not only of a good rainy season but, also — perhaps even mainly — of better farm technology. The authorities will have to do some fundamental re-thinking, farmers say. Agriculture should share in the Government's export incentives.

Price control on farm requisites will have to be up-graded and exporters will have to be better compensated for an unfavourable exchange rate of the rand, say the farmers.



Mr Hannes Jacobs of the farm Wildfontein, Western Transvaal, stands amid the greatest mealie crops he has ever produced. South Africa's maize farmers are on their way to a record 13-million ton harvest.

● Picture by Sarel van den Berg

Farmers' success will cost you millions

By DEREK TAYLOR



S. Express 15/3/81

3 maize

SA FACES THE YEAR OF THE GOOD-NEWS, BAD-NEWS GREAT MAIZE DISASTER

IT'S THE year of the good-news, bad-news great maize disaster — with the taxpayer possibly losing millions because of political feather-bedding for farmers.

The country could lose between R1 100-million and R1 324-million. According to the Maize Board's predictions, South Africa could lose between R808-million and R1 032-million.

The country's greatest-ever maize crop is ripening. The farmers who grow it — there are about 20 000 of them, of whom only about 6 000 are regarded as efficient — are paid a fixed price for every ton.

The fixed prices paid, with occasional and slight fluctuations, are always between 20% and 25% above the prevailing world price for maize. The present fixed price is an average of R120 a

ton. The world price is about R90 a ton.

The new price is to be announced in a week — and the Maize Board is reported to have already rejected a proposal of R146 a ton made by one of its members.

There is a farmers' rationalisation — based on fertiliser cost increases, etc. — for a price of R170 a ton.

First the good news: the record crop now estimated at 13-million tons is to be revised upwards this week — probably to between 14 and 15 million.

But maize traders, farmers and some foreign embassy observers believe the crop could go as high as 15 or 16 million tons.

Zimbabwe is also ripening a record maize harvest and is expected to have 1-million tons to spare for

export.

Now for some of the bad news:

South Africa's domestic consumption of about 6-million tons will leave unprecedented surpluses for export between 8-million and 10-million tons.

The railways and harbour resources involved can only transport for export just under 4-million tons in a season.

The rest will have to be bagged and stacked under tarpaulins — at considerable expense — in the hopes that it can be exported next year.

There is also a carry-over of 700 000 tons surplus from the last season to be added to whatever the final total is this year.

And Zimbabwe's surplus is obviously going to be preferred to South Africa's for those African countries which took some of last year's surplus of about 4-million tons.

Which means that all or some of the 4-million tons that it is possible to move for export may not be saleable.

The fixed price for farmers — the subject of some intense interest in view of the impending general election — must be paid to the producer for each ton whether sold or stored.

The maize price has increased by 71% over the last three years — over twice the pace of inflation.

Here is how, in simple terms, the calculations of possible maize losses are made.

If the Maize Board makes a

correct estimate of the crop at 14-million tons, will have an surplus of 8-million tons over domestic consumption.

Only 4-million tons can be moved to and through the ports for sale abroad.

The present world price is between R90 and R100 and weakening. The loss on exported maize could therefore be R56 a ton — or R224-million.

This leaves another 4-million tons unsaleable, at least in this season. But the producer must be paid at R146 a ton — or R584-million.

This gives us a gross total of potential loss of R808-million.

And if Zimbabwe's surplus and other world conditions prevent us from exporting the 4-million tons that SAR&H could move, then a grand total of R1 032-million must be considered.

These calculations do not take into account the costs of storing grain against eventual chances of selling some more of the surplus.

If the crop goes to 15-million tons, the gross and grand totals

— as in the above example — climb to R954-million and R1 178-million.

With 16-million tons, the totals are R1 100-million and R1 324-million.

Mr Hendrik Nel, general manager of the Maize Board says he cannot see any disastrous possibilities.

He disagrees emphatically with those who estimate the crop at 15 to 16 million tons.

But even if the crop did turn out to be nearer the estimates on which the Maize Board has been calculating, between 13 and 14 million tons, Mr Nel agrees that large problems will have to be tackled.

He believes that a lot can be done by efficient juggling of the limited elevator storage silos and inward and outward transport loadings and times.

But, he told the Sunday Express yesterday, if the elevators are filled by June, farmers will have to start bagging maize for delivery to the board's depots, where it will be stored under tarpaulin.

"The farmers may get an-

noyed at times, but they must accept that we will do all that is humanly possible to allow them to deliver as much as possible in bulk," said Mr Nel.

He felt that bagged storage was an acceptable, if expensive, solution to the huge surpluses in prospect.

"About 10 or more years ago, we stored bagged maize for 5 years without damage."

Mr Nel said it was difficult to estimate costs for bagged storage. The highest factor was an initial cost. Fumigation, insurance and other items made storage an expensive resort.

"But given co-operation we can cope with the problems and I don't see any disaster.

"We must thank the good Lord for this crop. There are 28 countries in Africa without enough to eat at the moment and in some of them people are dying.

"What about next year?" he asked. "Supposing we have a really bad season next year, then we would appreciate this bumper crop as a salvation," he said.

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TELEPHONE 69-8531, Ext 117

In reply please quote

Record maize crop may bring R300 million loss

NM 16/3/81

3-Maize

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By GERALD REILLY
PRETORIA—This season's huge maize crop will throw up formidable and costly transport and marketing problems — export losses alone could amount to between R250 million and R300 million.

The Department of Agriculture's first estimate of the crop — it is expected

to exceed 13 million tons, 30 percent higher than any previous crops — will be announced today or tomorrow.

According to a Railways spokesman, senior Railways officials and the Maize Board are planning how to programme the moving of the big crop, especially the record export surplus which could amount to nearly 7 million tons.

Farmers' gross earnings from the crop could

amount to an unprecedented R2 000 million, if the price for the crop is increased, as it is expected to be, from the current R122 a ton to R145 a ton.

The loss on the current season's exports is about R40 a ton. The total available for export this year was 3,7 million tons. If prices on world markets fail to improve therefore, export losses could soar to R250 million or more.

World market prices in January were around R126

a ton. But just to get a ton of maize to the coast alone, according to a Maize Board source, taking into account the higher rail rates which come into effect next month, will cost in excess of R40 a ton.

To meet the current season's export losses farmers were levied R6 a ton. The new season's levy, which will be announced with the new price next month, is certain to be higher.

Maize authorities in Pretoria say it will be impossi-

ble to move 6 million tons of export maize to the coast in one season.

There would have to be a substantial carry over into the 1982-1983 season.

However, the storage of the big surplus according to the authorities would not be a problem.

Aggravating the export problem is the fact that Zimbabwe has also produced a record crop and can supply surrounding

southern African States.

This means that South Africa will lose nearby markets where because of lower transport costs it could sell at economic prices.

Biggest buyers of South African maize are Japan and Taiwan. So far this year Japan has purchased half a million tons, Taiwan a quarter of a million tons and the United Kingdom 140 000 tons.

Record maize crop means huge loss on exports

Financial Editor

MAIZE farmers have produced their biggest crop ever and can expect to receive cheques from the Maize Board which will number them, at least temporarily, among the richest people in the country.

But while the size of the maize crop may delight the farmer's it is bad news for the Government and the Maize Board, who will have to dispose the surplus, at probably a record loss.

In its first official estimate the Maize Board puts this year's crop at a record 13,4-million tons. This is 25 percent larger than last year's 10,7-million tons and about 20 percent bigger than the previous record crop of 11,1-million produced in 1973-74.

At the ruling price farmers can expect a payout of about R1 650-million which is about R350-million more than they received last year.

But if they get the 20 percent increase they are after, putting the price up to about R140 a ton, the maize cheque could reach nearly R2 000-million.

This would mean that the maize farmer's gross income would have risen about two-and-a-half times in just two years. The 1979 maize cheque was worth only R840-million.

ANNUAL CHEQUES ..

Annual maize cheques since the previous record crop are estimated as follows:

1974 — R55-million
1975 — R510-million
1976 — R481-million
1977 — R703-million
1978 — R800-million
1979 — R840-million
1980 — R1 300-million.

But while the maize farmers can look ahead to large cheques, the Maize Board is facing serious problems.

Local maize consumption is only around six-million tons which mean that about 7-million tons of this year's crop will have to be exported.

At present the board incurs a loss of R30 a ton on maize exports. On this figure and with 7-million tons to export, the board could have an export loss this year of around R210-million.

But if the farmers get their increased prices, the loss on maize exports could rise to R50 a ton, resulting in a globular loss of R350-million.

Furthermore, if other producing countries should also have large

export surpluses this year — Zimbabwe is one that has — the export price of maize could drop, resulting in an ever bigger loss on exports.

However, the board's immediate problem must be deciding how to finance this loss.

It seems most unlikely that the Government would allow the board to pass the loss on to the consumer.

LOCAL PRICE

At prevailing domestic and export prices, the possible export loss would be about R30 for each ton of maize sold locally. If this were to be added to the local maize price it would rise 25 percent from R120 to R150 a ton.

But should the farmers get their price increase the loss would grow to around R60 for each ton of maize sold domestically.

If this were added to the maize price it would soar 66 percent to R200 a ton after taking into account the farmers' increase.

Clearly such a scheme is not feasible.

WITH LOANS

It therefore looks as if the Maize Board will either have to finance the loss with loans or get an increased Government subsidy.

However, the monetary authorities are likely to frown on attempts to finance the loss with loans. It would upset their plans to reduce the money supply and also damage their credibility.

On the other hand, an increase in the subsidy to maize farmers, especially when their income has risen so spectacularly in so short a time, could also meet opposition.

Economically the right course for the Government would be to reduce the maize price.

To produce 13-million tons of maize when you need only 6-million tons seems clear evidence that the present maize price is too high.

A reduction in the maize price would have a number of important beneficial effects.

Apart from reducing the loss on exports it would lead to a substantial drop in food prices and a significant reduction in the cost of living.

It would also probably discourage the further expansion of maize production and perhaps bring production in line with consumption.

But this is a farmers' Government and this is also an election year. So there would seem to be a number of insurmountable hurdles stopping the Government from even contemplating a reduction in the price.

3 Maize
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Agus 20/3/81

Maize price set to push food cost up

RDM
23/3/81
3 maize
JMA

By GERALD REILLY
Pretoria Bureau

THE Maize Board meets today to formulate its price recommendations for the season's estimated record 13 500 000-ton crop.

The recommendation is certain to be for a rise of at least 15%, according to authoritative sources in Pretoria.

The higher price, which will come into operation from May 1, will force up the prices of a wide range of foods including beef, pork, poultry, eggs and dairy products.

The National Mealie Producers' Organisation will make its

representation to the board on a resolution which called for a net farmers' price of R140 a ton.

The present price is R122.

However, the sources say the big crop will leave an export surplus of at least 6-million tons.

If present world market prices — around R120 a ton — persist, the export losses could reach nearly R300-million.

The loss would have to be borne by the farmer and paid for by a production levy.

The present producers' levy is R4,40 a ton on white maize and R7,40 a ton on yellow maize.

Because of the huge surplus, however, and the possible record export losses, the levies are expected to be increased substantially.

Meanwhile, egg producers claim that if the maize price rises by 20% the price of eggs will have to go up by 14c a doz.

The Natal Commercial Poultry Association claims that if the price of maize rises by R10 a ton, the price of eggs will have to be adjusted 6% upward.

Another early effect of the higher maize price will be to contribute to a substantial rise in the floor price of beef.

Maize to go up by ^{510K} ~~200~~ ^{3(maje)} 15 percent ^{plus} this month

By Hannes Ferguson
Farming Correspondent

The new maize price will be announced before the election, about the third week of this month according to sources close to the Minister of Agriculture, Mr du Plessis.

A price increase of about 15 percent is in the offing. This would have a pronounced ripple effect on the consumer prices of meat, poultry, milk and eggs.

The exact increase depends on the consumer subsidy the Government is prepared to apply. This is purely a political decision to be taken by the Cabinet.

Last week, the Maize Board put its first official estimate of the current crop at 13,417-million

tons, against 10,726-million tons last year.

Based on this crop estimate, as well as the production cost increase and the estimated export price, the Maize Board had made its price recommendations to the Minister, the sources said.

After comments by the Marketing Council, the Minister will put his proposals before the food committee of the Cabinet, which has the final say.

LOSS

Discussions are said to centre on ways to finance the huge export loss, which has been estimated at no less than R300-million.

The maize industry is not in a position to aim — like any other business — at the maximum realisation for its production, offsetting export losses by higher domestic

prices, because the consumer is protected by the Marketing Act.

As a result, farmers are allowed only to add their cost increases to last year's price.

Resolutions adopted at the recent congress of the National Maize Producers' Organisation in Klerksdorp made it clear that the maize industry looked to the State to subsidise the consumer and absorb the export loss.

INDUSTRY

Last year the State paid R12,50 a ton — total about R50-million — into the maize pool and also lent about R40-million to the producers, enabling them to finance part of the export loss in an indirect way.

Farmers feel maize should now be viewed as

an export industry. Only about 6-million tons can be sold on the domestic market. It is impossible to continue to finance export losses on an ad-hoc basis, as if maize surpluses were freaks, farmers argue.

They say they could not survive if they are forced to pile debt upon debt to pay for export losses.

In Pretoria, the Maize Board announced that the flow of exports would be increased to make room in the inland maize silos for the new crop to be delivered by farmers from May 1.

It said that 28 shiploads averaging 14 000 tons would be exported in April. To make this possible, 1400 rail trucks weekly would ply the East London route and 600 would run to Durban to fill the harbour silos.

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paying for health services²⁵. Technically this is not difficult to understand. Though the problem appears to be one of poverty (lack of income) it is essentially one of demand and supply²⁶.

In a system of socialised medicine, society itself appears in the market as supplier as well as demander. There seems to be no equilibrating mechanism. On the supply side voters are cost minimisers. On the demand side they are utility maximisers. The result is a chronic shortage of facilities, illustrated by waiting lines and inferior health care,²⁷ in the sense that ^{some} consumers would be willing to pay for more than they receive. The rapid growth of private health insurance schemes in Britain provides evidence of this.

A market oriented medical system faces different problems. In the Section I it was argued that the probability of getting sick was roughly independent of contributions to medical aid schemes. Of course, however, the probability of calling on a doctor is much greater if one is ill (or would like to imagine that one is ill) since the marginal cost of doing so is very low. The consumption of medical services thus rises. From the point of view of the medical profession a compulsory medical aid scheme is highly satisfactory. Costs of collecting debt are reduced while at the same time demand for their services is increased. It must be concluded that a compulsory scheme such as this is an example of a very smart bit of marketing. The effect is further that doctors spend relatively more of their time dealing with relatively trivial complaints. Since the marginal cost for medical scheme patients of any service is virtually zero, services are likely to be consumed up to saturation levels.

On the supply side the problem can be characterised as one of monopoly and barriers to entry. In some sense, of course, these barriers are inevitable. The art is long. Even when doctors serve an arduous apprenticeship. What constrains the number of

14/.....

Govt and maize men head for angry clash

3maize ROM 6/4/81

By GERALD REILLY
Pretoria Bureau

THE Government and the country's 30 000 maize farmers are heading for an angry clash over who should carry the huge loss — up to R400-million — involved in exporting this year's record 7 000 000 ton maize surplus.

The National Maize Producers' Organisation claims the loss should be shared by Government, consumers and producers. Until now the policy has been that farmers, through production levies, pay for export losses.

Nampo has recommended a rise of about 14% in the maize price. This would take the price to around R140 a ton. The new price is now being considered by the Marketing Council, and the council's recommendation is expected to be submitted to the Cabinet food committee within the next few days.

Should the Government decide to make the consumer pay for part of the export loss, the retail price of maize products could rise by as much as 22% from the start of the new season on May 1.

However, Government sources in Pretoria believe it unlikely the Cabinet will approve a consumer levy to help pay for the loss.

The general manager of Nampo, Dr P Gouws, said at its conference last month Nampo strongly recommended the consumer and the Government should share export maize losses with the producer.

"We are not asking the consumer to subsidise inefficient production, all we want is for an acknowledgement that there is a joint responsibility."

Dr Gouws said there were inefficient producers in all industries.

Nampo had recommended to the Maize Board a price rise of about 14%. This took into account the lower unit cost because of the huge 13 500 000-million ton crop.

Actual production cost rises during the past 12 months, however, amounted to more than 18% per hectare and 14,6% a ton.

Dr Gouws said the big crop would leave a record export surplus with the old season's carry-over of 7 000 000 tons. If prices on world markets remained at current levels of about R120 a ton, export losses could amount to R400-million.

If the farmer had to carry the whole load of export losses, he would have to pay a production levy of about R14 a ton.

This was almost treble the

existing levy and would reduce farmers' net prices to a level lower than production costs — a situation which could not be tolerated by producers, Dr Gouws said.

However, the country's rail system was incapable of handling a 7 000 000-ton surplus in a 12-month period.

This meant exporters were unable to take full advantage of the normally higher prices on world markets during November, December and January.

Dr Gouws stressed the vital importance of foreign exchange earnings from maize exports. These could add up to more than R800-million during the next export season.

A semi-Government source said jacking up the consumer price domestically to compensate for export losses was totally unacceptable.

Neither, it was stated, should the Government force the use of high export earnings as it did in the case of sugar, to fix domestic prices at a level which failed even to cover production costs.

The source said it would be grossly irresponsible for the Government and for the Maize Board to enforce a policy which made the Government and, therefore, the consumer taxpayer, pay for export losses.

replies is often small enough to make one confident that the results do provide a reasonable idea of all graduates turned out by the Medical School up to the year 1970.

and Job Histories of the Graduates:

TABLE 1
POST-INTERNSHIP JOB HISTORY OF A SAMPLE OF BLACK MEDICAL PRACTITIONERS WHO GRADUATED FROM THE UNIVERSITY OF NATAL, INTERVIEWED DURING 1970 - 1971

JOB HISTORY, GIVING SEQUENCE OF JOBS	NO. OF MEDICAL PRACTITIONERS			
	AFRICANS	INDIANS	TOTAL STUDIED	
	No.	%	No.	%
Hospital/Clinic work only	8	25,0	15	41,7
Hospital work; then general practice	12	37,5	9	25,0
Hospital work; general practice and part-time health service	2	6,3	4	11,1
General practice only	3	9,4	2	5,6
Hospital work; then overseas work	3	9,4	1	2,8
Hospital work; overseas work; and then general practitioner in South Africa	1	3,1	1	2,8
Hospital work; overseas; hospital and part-time general practice in South Africa	1	3,1	-	-
Hospital; G.P.; hospital work	-	-	1	2,8
Hospital; research; G.P. and part-time hospital work	-	-	1	2,8
Hospital; Junior Lecturer; hospital work and part-time G.P.	-	-	1	2,8
General practice; later with part-time hospital work	1	3,1	-	-
General practice; hospital work	-	-	1	2,8
General practice; hospital work overseas; hospital work	1	3,1	-	-
TOTAL	32	100,0	36	100,2
			69	99,6

NOTE: The total column includes one Coloured doctor who has worked in hospitals only.

3-maize DD 8/4/81

Call to keep maize price down

PRETORIA — The Housewives' League has called on the government to hold back on raising the price of maize.

The cabinet Food Com-

mittee is now studying the Marketing Council price increase recommendation for the new season.

The expectation is that a 15 to 20 per cent rise will

be authorised from May 1.

Economists have pointed out that this would create an inflation wave affecting a large range of foodstuffs, including beef, poultry, eggs and dairy products.

In a statement yesterday the Housewives' League said South Africa was harvesting the biggest maize crop in its history — 13,5 million tons.

Almost half of this would be exported.

For a number of years maize was exported at a profit and the profits given to the farmer in the form of an "agterskot".

The consumer received no reduction in price so why should they pay for the losses.

In terms of the maize scheme all maize produc-

ed in the major areas had to be bought by the board at the controlled price, the league said.

This price was determined by producers themselves, who dominated the board.

This meant they could plant as much as they liked because the Maize Board had to buy it.

Any increase in the price of maize would have an effect on the 31,1 per cent food inflation rate, the league pointed out.

"We assume the government, commerce and industry and agriculture are very concerned about this and we consider they have a duty to bring down inflation. They can start by not allowing any increase in the maize price this year", the league stated. — DDC.

'Don't raise the maize price' plea by housewives

APRIL 21

THE Pretoria Bureau of the Housewives' League has called on the Government to hold back on raising the price of maize.

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Almost half of this would be exported.

For a number of years maize was exported at a profit and the profits given to the farmer in the form of a final payment.

3-MAY 22

The consumer received no reduction in price so why should they pay for the losses?

In terms of the maize scheme all maize produced in the major areas must be bought by the board at the controlled price, the league said.

This price was determined by producers themselves, who dominated the board.

This meant they could plant as much as they liked

because the Maize Board had to buy it.

Any increase in the price of maize would have an effect on the food inflation rate, the league pointed out.

'We assume the Government, commerce and industry and agriculture are very concerned about this and we consider they have a duty to do something to bring down inflation. They can start by not allowing any increase in the maize price this year.'

Maize League's plea

3maize correspondent 76

PRETORIA — The Housewives League has called on the government to hold back on raising the price of maize.

The cabinet food committee is now studying the Marketing Council price-increase recommendation for the new season.

The expectation is that a 15 to 20 percent price rise will be authorized from May 1.

This economists have pointed out, will create an inflation wave which will affect a large range of foodstuffs.

In a statement yesterday the Housewives League said South

Africa was harvesting the biggest maize crop in its history 13,5-million tons. Almost half this would be exported.

For a number of years maize was exported at a profit and the profits given to the farmer. The consumer received no reduction in price so why should they pay for the losses?

In terms of the maize scheme all maize produced in the major areas must be bought by the board at the controlled price, the league said.

This price was determined by producers themselves, who dominated the board.

Farmers, Govt clash on maize export loss

By Hannes Ferguson
Farming Correspondent

Maize farmers and the Government are on a collision course on the export loss issue.

This season's bumper crop of 13,5-million tons of maize will leave a huge export loss of around R400-million.

The National Maize Pro-

ducers' Organisation (NAMPO) has asked that the farmer, the consumer and the Government "carry this baby together" by an increased Government subsidy, an increased producer levy and an amount to be incorporated into the domestic price for maize meal.

If the farmer had to

carry the whole loss, the net producer price would be lower than production costs.

But, according to sources close to the Government in Pretoria, it is unlikely that the Cabinet Food Committee, which has the last say, will let the consumer

shoulder part of the export loss burden.

Farming circles expect this will raise angry protests from maize producers who already feel the Government is discriminating against the agricultural sector.

They say that when there was an export profit, as in the case of sugar, the farmer was forced to subsidise the consumer by a low domestic price offsetting any gains he might make on his exported surplus. If the export price was low he was precluded from offsetting his export loss by an increased domestic price.

GALLING

Sources said farmers found it particularly galling that the Government had granted industry export benefits of R180-million, but the regulations had been worded in such a way that agriculture was all but excluded.

A spokesman for the South African Agricultural Union said the SAAU had several times objected to this without avail.

I believe our part has been to motivate our patients of the importance of family planning at such psychological times as during pregnancy and in the pre-school period, of stressing the importance of rearing this child as a healthy child, before thinking about the next one.

The present infant mortality rate for the white and coloured community which make up, nearly 90% of the population of Cape Town is 22 per 1000 and let me remind you that is in a society which only allows limited abortions. If abortions had been allowed for unwanted infants that died of slow infanticide the figure would have even been lower. The T.B. rate amongst the coloured community in Cape Town is lower than amongst the equivalent group in the U.K.

I believe the enlightened new Health Act can be a catalyst to bring about dramatic changes in the health of the people of this country and to fight enemy within disease and discontent.

What is health? There are no known direct parameters to measure health status in general use. Usually health is measured and assessed in terms of certain negative indices: "negative", because they measure the absence of health, namely disease! This may well be the most practical, although oversimplified, view to hold in the coming years.

It was a simple rule of economics that if you want to have more of an article, it was necessary to make it attractive to produce it.

One cause of the export loss was the handling, storage and transport of export maize cost as much as R40 a ton — fully one third of its ship-board price.

SA Railways took R24 of this in rail tariffs. This had been repeatedly challenged by the Agricultural Union.

Maize had become an export industry. If maize export was penalised in such a way, increased production meant increased losses.

© Sec Page 12: Farmers, Government clash on maize export loss;

super specialist and specialist levels of care do not come within the context of my talk, except to state that if we wish to achieve 'health for all by the year 2000' then the secondary and tertiary levels of health services, which is in the hospitals, should invariably be designed in support of the primary level of community health centres rendering primary health care and not vice-versa!

Day Hospitals Organisation was started in 1968. Our health teams carry out over one and a half million referrals a year with a referral rate of only 2% and at a cost of R100 million. The Health Services budget for the area, in other words, does not utilise the major portion of health care funds available.

I believe I have been privileged to have seen the development of such a service as ours in our communities as the following statistics show. The birth rate which was one of the highest in the world in the coloured community, has dropped from 32 per 1000 in 1968 to 23 per 1000 today.

NEWS Call on Govt to honour promises

3/1/1971
5/1/1971
8/1/1971

By Hannes Ferguson
Farming Correspondent
Maize farmers have called on the Government to honour its commitment to increase food production.

Dr Piet Gouws, general manager of the National Maize Producers' Organisation (Nampo) told The Star yesterday that what was at stake in the maize export loss dispute was the country's ability to maintain growth in its food production.

The Prime Minister had said in the 80s food was to be what oil was in the 70s — scarce and expensive. South Africa had to produce as much food as it could to bolster its position in Africa.

And the Minister of Agriculture, Mr Pietie du Plessis, had said at Putfontein that maize production should be increased by improved technology.

But there was the tendency to begrudge the farmer his profits.

Dr Gouws said costs per hectare had risen by 18 percent. Because of the bumper crop, costs per ton of maize had risen only by 14,6 percent.

To break even, producer price had to rise by 14,6 percent. It was absurd to expect that even from this price level, export losses could be subtracted without "drastically curbing the food production which the Government said it wanted to expand."

'Don't put up the price'

Consumer Reporter
The Housewives' League has appealed to the Government not to put up the price of maize.

"Any increase will have a significant effect on our 31,1 percent food inflation rate," a spokesman for the League said.

"South Africa has just harvested the biggest maize crop in its history — 13,5 millions tons.

"More than half of it will be exported.

"Our farmers are now getting R122 a ton, compared to the world price of about R90.

"This difference is due partly to the monetary exchange rate but our farmers are getting much more than overseas farmers and the latter presumably, are making a profit.

"For several years our maize was exported at a profit and these earnings are distributed to the maize farmers as a bonus.

"The consumer received no reduction in the price.

"Why should the consumer now pay for our so-called export losses?"

DOM 8/4/8

Govt urged: don't up the maize price now

Pretoria Bureau

THE Housewives' League has called on the Government to hold back on raising the price of maize.

The Cabinet food committee is now studying the Marketing Council price increase recommendation for the new season.

The expectation is that a 15% to 20% price rise will be authorised from May 1.

This, economists have pointed out, will create an inflation wave which will affect a large range of foodstuffs, including beef, poultry, eggs and dairy products.

In a statement yesterday, the Housewives' League said South Africa was harvesting the biggest maize crop in its history —

13 500 000 tons.

Almost half of this would be exported.

For a number of years maize was exported at a profit and the profits given to the farmer in the form of a agterskot.

The price was determined by producers themselves, who dominated the board. This meant they could plant as much as they liked because the maize board had to buy it.

"We assume the Government, commerce, industry and agriculture are very concerned about this and we consider they have a duty to do something to bring down inflation. They can start by not allowing any increase in the maize price this year," the league said.

MAIZE PRICE

② maize

FM 10/4/81

Farmers don't need help



Towards the end of this month South African farmers will begin reaping their biggest maize crop ever. At the prices growers are expecting to be paid, the country doesn't

need it all. But the mountain of superfluous grain could force the government to re-appraise its entire agricultural pricing policy. If it does that, the 3m unexpected tons of maize will prove a double blessing.

According to the first official estimate the crop will yield 13 417m tons. That figure is almost 40% above the one indicated by the Maize Board's own projection of the long-term trend. Barring unforeseen hazards during the next two to three months, maize farmers will beat the 1974 season's record by a fifth and exceed last year's above average crop by more than a quarter. Although the area planted has expanded fractionally and shifted slightly to the east, most of the increase can be attributed to clement weather, improved technology and better husbandry — and probably in that order.

Through their new negotiating body, Nampo, the big mealie producers have let it be known that they are expecting to be offered R143/t for white maize and R140,87/t for yellow maize, when the Minister of Agriculture announces new prices. These should come into effect from May 1 — two days after the election. If Minister Pieter du Plessis agrees to the Nampo request he will effectively be valuing the crop at a phenomenal R1,9 billion. That is far more than the Maize Board can conceivably sell it for — and a great deal more than the maize farmers deserve to be paid. Even if the producer prices were to be pegged at their existing levels for a second year, the abnormally high yield would more than suffice to compensate growers for the 16,2% increase in production costs they are claiming. But why aim so high?

The Jacobs Commission of Inquiry into Agricultural Finance recommended that intervention should in future be aimed at securing income stability for farmers rather than price stability. By acting on that advice, the Minister could justify a small downward revision in the producer price. Indeed, if only to get himself and the Maize Board out of the muddles into which they have already fallen, he might be obliged to do just that.

Du Plessis' mealie growing predecessor pitched both the producer price and the transport and handling subsidy — currently R12,50/t — too high. Despite the fact that he was able to call upon the taxpayer

for the subsidy and upon the consumer for an unnaturally elevated price, Hendrik Schoeman's apparent generosity still lured the Maize Board into the red. As a result of mounting losses on exported surpluses, the Board's stabilisation fund is now R40m overdrawn. Only six years ago, there was R70m in the kitty. With the FAE price in East London still hovering at around R120-R125/t and the cost of transport and handling amounting to R35/t taken to the elevator, those export losses now threaten to get further out of hand. Unless domestic consumption increases dramatically, the Board will have a surplus of more than 7m tons available for export. That is roughly double what it has sold overseas during the last 12 months and probably more than the SAR can handle.

Meanwhile many of last year's lucrative markets to the north are going to be lost to Zimbabwe, which is also about to start harvesting a huge crop. When the 1980-81 prices were being negotiated the Maize Board could export white maize at up to

R190/t. This time round the narrow export market for human consumption promises to be over-supplied. So, instead of fetching a premium, our white grain may have to go as stockfeed, for which purposes it will fetch even less than the yellow.

But why should we export our maize at a loss to subsidise foreign farmers' animals when we could be selling more of it to our own citizens and our own pig, poultry, dairy and beef producers? And why should our taxpayers continue to subsidise so much unnecessary transport and handling? Our artificial pricing structure encourages mixed farmers to sell their grain at harvest and re-purchase later. This benefits the fat-cat milling companies and the co-ops at the expense of the producers and the rest of the economy. It would surely be more sensible to spare the railways an unnecessary problem and leave more of the maize on the farms where it ought to be fed. Again logic would seem to dictate lower domestic prices.

MAIZE PRICE VIEWS

Opinions on the maize price are deeply divided.

Premier Milling's MD Tony Bloom believes that the maize price should be set high enough to ensure sufficiency of supplies for the local market; especially of white maize to provide for future population growth and to allow politically rewarding export surpluses.

Professor Eckardt Kassier, of the Department of Agricultural Economics at Stellenbosch University, endorses the view of Reserve Bank Deputy Governor Bramie van Staden that the current method of short-term financing of seasonal crops through Land Bank Bills (FM April 3) is highly inflationary.

Kassier asks, therefore, whether mechanisms might not be set up to delay payment for a proportion of the present large crop.

He also objects to the concept of setting an administered price for maize on the basis of cost of production (CoP) at times of heavy surplus like the present, as pricing based on CoP is appropriate only to times of shortage.

SA should perhaps look to a guaranteed maize price for only a certain quantity of maize, say 6-7m tons, with surpluses over the base to be produced at the farmers' own risk.

Dr Philip Spies, of Stellenbosch University's Institute for the Future, argues that government is using contra-cyclical pricing and incomes policies based on the Marketing Act to attempt to heal serious structural problems in the agricultural sector. These policies were originally devised to meet the very different difficulties of the Thirties.

Spies doubts whether any increase in the maize price is justified in present circumstances. Certainly, a 20% rise would be indefensible.

Government has got itself into a vicious circle — high administered prices for maize bump up the price of agricultural land and so make it more difficult for new farmers to enter production. Even if the maintenance of a white farming sector is one of the legitimate objects of present policies, they are, for this reason, self-defeating.

Structural remedies are required to meet the problem of the marginal farmers — like cash payments and the provision of alternative employment to induce them to leave the land. There also needs to be a redefinition of who constitutes a "bona fide farmer," to exclude part time operators.

Spies rejects the argument about high cost of machinery, arguing that it is not necessary for farmers to mechanise. If they substitute labour as a factor of production (which is perfectly feasible) there will be a beneficial influence on rural employment.

For the past six years local consumption has remained almost static, with about 3m tons going for human consumption and a similar volume into animal feeds. By raising the consumer price to cover real or imaginary producer cost increases, growth in both of these domestic markets has been stifled. More maize has been diverted to the export market. And the producer has been forced to contribute even more to the stabilisation fund to cover the resulting losses.

There is no valid reason why a few thousand maize producers should be made the sole beneficiaries of the good weather we have experienced during the last year. Nor, for that matter, should they be the only ones to benefit from the technological advances that have been made possible by plant breeders, soil scientists and plant pathologists, many of whom are employed by the government at the taxpayers' expense. If the maize price must be fixed at

MAIZE HARVEST

Year	Crop (kt)
1970	6,134
1971	8,600
1972	9,483
1973	4,160
1974	11,105
1975	9,098
1976	7,472
1977	9,714
1978	10,081
1979	8,271
1980	10,726
1981	13,417

all, it should be fixed as close as possible to the level it would have found in a free market. That means lower.

The government need not be cowed by the prospect of losing farmer support at the coming election. The number of farmers who are net purchasers of maize — for livestock feeding and labour rations — far exceeds the number who are net vendors. The ratio of the former to the latter is

possibly as high as three to one. Neither should the Cabinet be deflected from its anti-inflationary intentions by the mythical supposition that a low maize price will chase more farmers off the land. Artificially supported prices put money mainly into the hands of the biggest producers — who seldom need it — the rest into those of the little ones — who are the most likely candidates to be squeezed out. They therefore tend to accelerate rather than slow the pace at which land barons gobble up their neighbours. They also encourage everyone to bid up the price of rural property and thereby put it even further beyond the reach of aspirant new entrants. The price of good maize land has already shot up by between 50% and 100% — to well over R1 000 a hectare — during the last two years. Putting nearly R2 billion into the hands of the maize producers in one year can only aggravate the process.

Warning on maize price rise

CT 10/4/81
3 maize
AHH

Own Correspondent

JOHANNESBURG. — Before setting the new maize price increase — expected to be about 20 percent — the government should take account of the "catastrophic" effects its pricing and control policy had had in recent years.

This was said in a statement by the Food Crisis Group, formed earlier this year at a national conference in Sandton on the food price crisis.

The pressure group is made up of leading and concerned members of the food industry and consumers' organizations. It was formed to combat high food prices.

Predictions are that the new price will rise to R150 a ton from the present R122. Over the past three years the maize price has increased by about 70 percent and has had a major spiral impact on the price of other foods such as poultry, dairy products and meat.

Out of control

"The government's pricing and control policy on maize has been a major cause of a food price escalation of nearly 30 percent over the past year. It is now so out of control it has led to massive surpluses which will have to be exported at a loss — which will be borne by the consumer," the pressure group said.

Last year's price increase of 20 percent had resulted in a 5 percent drop in human consumption, aggravating the surplus position even further as maize is the staple diet of most South Africans.

"These high prices have resulted in South Africa not being able to compete effectively on world markets, and further high price increases would make it increasingly difficult for future exports.

"In addition these high prices are encouraging farmers to grow more and more maize which the country cannot consume, with the balance being exported at a loss. The question must be put to the government: 'Why should the consumer effectively have to pay for this export loss?'"

Mountain of maize

All these factors had resulted in a mountain of 13,3 million tons of maize, to which had to be added a carry-over of 2 million tons from last year.

Given the 1 million ton reserve that would be held back — it meant 14,3 million tons had to be disposed of this year.

"The country can only consume half the volume, which means a surplus of 7 million tons has to be exported — but the Railways is capable of handling only 4 million tons.

"Therefore the group urges the government to give these matters serious deliberation before deciding on any increase in the price of maize for the forthcoming year, and so prevent an even more catastrophic situation."

Last weekend Mr Pieter Gouws, general manager of the Maize Producers Association (Nampu), said although maize surpluses had been produced since 1974, the Maize Board had done nothing to promote export markets or expand harbours.

MAIZE CROP MAY FUEL INFLATION

Agus 11/4/81

3 maize

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FEARS are mounting in business and financial circles that this year's record maize crop could seriously undermine the Government's efforts to curb inflation.

As businessmen and financiers become aware of the implications of the

by **DEREK TOMMEY**, Financial Editor

maize crop, they are becoming increasingly concerned about the outlook for the economy. It has been realised for some time that if the maize farmers secure the price increase they are seeking food prices could rise steeply.

However, it is now also being realised that the act of financing the maize crop could be highly inflationary. It is estimated that this year's maize crop will be around 13,4-million tons,

which is about 25 percent bigger than last year's crop. At the ruling maize price the Maize Board will pay out about R1 600-million to farmers for this crop.

But if the farmers get their 20 percent price rise, this figure could increase to around R2 000-million — roughly 50 percent more than they received last year.

Serious

Mr A J M de Vries, deputy director of the Bureau for Economic Research at Stellenbosch, said in Cape Town this week he believed the authorities were serious in their efforts to control the money supply.

But there were a few stumbling blocks in their path, the more serious being the financing of the maize crop.

If this was done through the Reserve Bank and the Land Bank, it could sharply increase the money supply for a few months after May or June and caused a sideways movement or even a drop in interest rates.

This could especially be so if it followed the seasonally higher Government of

quarter. The best solution might be for the Land Bank to finance the crop at market-related rates with an open subsidy, which did not distort the money and capital markets.

Surplus, but a new maize price rise is likely

CT 11/4/81
274 (3 MARKS)
Staff Reporter

Another big rise in the maize price is imminent — in spite of a huge surplus.

The Maize Board and the government has declined to comment on the nature of price increases sought by maize producers, but the board said expected a decision in the next few weeks.

The official opposition spokesman on agriculture, Mr Philip Myburgh (PFP Wynberg), reacted with amazement to the threatened price increase, which he blamed on government mismanagement.

Earlier, the Food Crisis Group, formed at the beginning of the year to combat rising food prices, predicted "catastrophic" effects from the expected rise and noted that the maize price had already increased by about 70 percent over the past three years.

Maize producers are understood to have requested a price rise of about 20 percent, although the board would not confirm this yesterday on grounds that the matter was *sub judice*

until the Minister of Agriculture, Mr Pietie du Plessis, had approved the new prices.

"I'm not prepared to make any comment on the price," the manager of the board, Mr H du P Nel, told the Cape Times in a telephone interview from Pretoria yesterday.

"If I start with something, I end up with the whole thing and at this stage that would be premature. We have submitted our proposals to the National Marketing Council and it will pass them on with comments to the minister, who will discuss (the matter) with the cabinet committee before announcing the new price. The new season starts on the 1st of May and the normal thing is (for an announcement) in the later part of April," said Mr Nel.

Mr Du Plessis was "out in his constituency and unavailable for comment", according to his private secretary, and the Deputy Director-General of Agriculture Economics, Mr W J Treurnicht, declined to comment.

The British Colonies and Commercial Supremacy

The Capitalist World Economy and Expanded Trade Networks. From the first two decades of the nineteenth century, British capitalists built on the foundations laid by the Industrial Revolution. Great Britain emerged as not only the dominant center of world commerce but also as the foremost military power. British capitalists used this position to take the opportunity to turn to the colonial possessions with renewed vigor. Leading entrepreneurs regarded the overseas colonies as the key to the acceleration of industrial growth at home and to the broadening of trade in an ever-expanding commercial empire.

Nevertheless, the development and expansion of British industries at home depended upon the ability of entrepreneurs to obtain raw materials abroad. By 1800, the North American colonies had achieved irrevocable political independence from the British imperial yoke and hence were no longer a convenient source of raw materials or market for manufactured commodities. British entrepreneurs were in search of new sources of raw materials and new markets, particularly in the cotton industry and later in the wool industry, as a consequence of the application of mechanical manufacturing techniques. India and Egypt were developed as suppliers of raw cotton to feed the improved machines of Lancashire. British statesmen next began to explore the new settler possessions — Australia, New Zealand, and the Cape Colony — as possible sources of wool in order to keep the improved machinery in Yorkshire at full production.

In the Cape Colony, the economic power of the Dutch East India Company had declined precipitously during the last two decades of the eighteenth century. In 1796, the British military command abolished all monopolies and restrictions on internal trade. Nevertheless, this action produced no appreciable results. However, the gradual relaxation of British tariff policy during the first half of the nineteenth century affected very closely the economic development of productive

activity at the Cape. The elimination of continental competition during the Napoleonic Wars, combined with the extension after 1813 of preferential duties on the British market, gave the Cape wine exporters a profitable trade. However, be-

Millers blamed for high maize price

S. Times 12/4/81
3 maize

HIGH profit margins by South African millers are largely to blame for the rising maize price, says Vic Allen, director of the Southern African Rural Trust.

Mr Allen told Business Times this week that he had extensively investigated the maize price structure.

"The milling companies' wholesale selling price for maize is in the region of 27c a kilogram, but the maize was obtained from the Maize Board at only 12c a kilogram. In the end, after retail mark-ups, the consumer pays as much as 33c a kilogram," he claims.

The basis for Mr Allen's argument is the extent of wastage in maize milling. He says there is hardly any. The Maize Millers' Association, however, claims that it is as high as 30% — and therefore justifies a mark-up of about 9c a kilogram to the wholesale price.

Says Mr Allen: "The milling

By Jan de Beer

companies choose to ignore the fact that the so-called waste is sold as germ meal, maize bran, 'No 2' mealie meal and that the residue of bran and germ is exported. All this makes a mockery of the mark-up for wastage. In fact, even floor droppings are sold as stockfeed."

Mr Allen, in any event, disputes that the wastage factor — which produces the alleged revenue from balanced feed sales — is higher than 16%.

"The excessive profits made by the milling companies lead to high retail prices and limit consumption. This is helping to create the surplus South Africa is now burdened with," he adds.

Maize forms an important part of stockfeed. The Southern African Rural Trust is to encourage farmers to retain some

of their maize crop and mix their own stockfeed.

"This is practical and done on a large scale overseas. We will advise the farmers on the correct mix based on their crop resources. The milling companies' claim that only they are equipped and know how to manufacture stock feed is false. For an outlay of between R2 000 and R10 000 a farmer can mix his own feed and save as much as R20 a ton."

Dr R du Toit, deputy secretary of the Maize Millers' Association, dismissed Mr Allen's claims as "utter nonsense".

He said South African milling companies, in the first place, made a profit of only 1% on turnover. "Railage and other manufacturing costs also erode profits. As far as farmers' mixing their own feed is concerned, scientific know-how and ingredients farmers cannot readily obtain are necessary," he told Business Times.

EDM 13/4/81

Farmers may pay for losses

Maize

By GERALD REILLY

MAIZE farmers may have to pay up to R400-million for the losses expected on this season's record export surplus of seven million tons.

This is more than double the biggest surplus they have ever produced.

The estimated gross value to producers of the record 13,5-million tons is around R1 900-million.

The price for what has become the most controversial crop ever grown in South Africa could be announced before the end of the week.

Although some sources have claimed that because of the

exceptionally high yield and the huge export surplus no price rise is justified, a price hike is certain — and it is not likely to be much less than 15%.

The general manager of the National Maize Producers Organisation (Nampo), Dr Pieter Gouws, said that if farmers are made to meet the whole of the export loss the production levy could rise to about R14 a ton.

This was why, he said, Nampo had asked the Government to make the consumer and the Government help pay for the expected big loss.

Agricultural economists say that as matters stand the loss will not affect consumer prices.

Call not to put up price of maize

THE Housewives' League has called on the Government, commerce, industry and agriculture not to allow any increase in the price of maize this year.

The league said in a statement that South Africa had just harvested 13½-million tons of maize — the biggest crop in its history. Six and a half million tons were required for local consumption and the balance would probably be exported.

Farmers were now getting R122 a ton, compared with the world price of R90. Maize was exported at a profit and these earnings were distributed to the farmer as an 'agterskot.'

CONSUMER

'The consumer received no reduction in price, why then should the consumer have to pay for "so-called" losses?' the league asked.

In terms of the maize scheme all maize produced in the major areas had to be bought by the Maize Board at the controlled price. This price was determined by the producers themselves. They dominated the board, meaning they had carte blanche to plant as much as they liked because the board had to buy it, the statement continued.

FOOD INFLATION

'Any increase in the price of maize will have a significant effect on our 31.1 percent food inflation rate. All agricultural animal feed costs will be affected and, of course, the staple food of the nation will go up in price,' the league added.

Plea on price of maize by Housewives League

Staff Reporter

THE government should refuse to increase the price of maize this year if it meant to do anything about bringing down the rate of inflation, the Housewives' League of South Africa said in a statement issued yesterday.

South Africa had just harvested the biggest maize crop in its history - 13½-million tons.

"We require 6½-million tons for local consumption, the balance of seven million tons will probably be exported," the league said.

"Our farmers are now getting R122 per ton, compared with the world price of R90. This difference is partly due to the exchange rate, but our farmers are still getting much more

than farmers overseas, who are presumably making a profit," the league said in its statement.

"For a number of years, our maize was exported at a profit and these earnings were distributed to the maize farmer as an agterskot".

The consumer received no reduction in price. Why then should the consumer pay for so-called losses?"

In terms of the Maize Scheme, all maize produced in the major areas had to be bought by the Maize Board at the controlled price.

This price was determined by the producers themselves, who dominated the Maize Board.

"This means they have carte blanche to plant as much as they like and the Maize Board

must buy it," said the league.

"In calculating the price each year, the increase in production costs are calculated to adjust the price.

"Any increase in the price of maize will have a significant effect on our 31,1 percent food inflation rate. All agricultural animal feed costs will be affected and of course the staple food of the nation will go up in price.

"We are assured that government, commerce, industry and agriculture are very worried about these figures and we consider that if they mean to do something to bring down inflation, they can start by not allowing any increase in the maize price this year," the statement said.

edited by C.G. Widorstand. p. 211 and 221.

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APPENDIX I.

TYPE OF INITIATIVES.

In my experience of small locally initiated projects the initiators or co-ordinators generally fit into one of four categories:

- a) Tribal authorities: that is, chiefs and retired (slinda) who are paid and co-ordinator (nduna) who are not).
- b) Agricultural Extension officers who are paid by the government.
- c) Exceptional local people (averagely poor) whose involvement is voluntary (e.g. John Stuurman, Freddy Matilla, the ladies who run the creches).
- d) Patron figures, the main example in this paper being N.K.

I will not discuss c) and d) here as I have already.

a) Tribal Authorities.

Headmen are still much more important figures than many people realise. Generally if they do not approve of a project in their area they have the influence to dissuade people from joining. In many ways they function as the villagers' link with the outside world. That is, in terms of deciding whom to accept and whom not to believe.

Even where only a few men attend the tribal meetings, they are a very important way of communicating news, the system is that in each small village there is a sub-headman who can communicate messages to people on a person to person level. Thus in electing committees, for whatever purpose for the wider area, there are sub-elections held in each small village with a set number of members from each to further comprising the committee.

Thus while one might not like the idea of bolstering the tribal authority system, often the only way of getting through to the mass of people is by using the Tribal Authority network. (That is, as opposed to working

CT 14/4/81 (3 MAR 79)
5 m-ton maize export predicted

NIGEL. — South Africa could export up to five million tons of maize this year, the Minister of Transport, Mr Hendrik Schoeman, said last night.

Addressing an election meeting at Nigel, he told about 150 people that South African Railways could handle this tonnage if special arrangements were made for work at weekends.

"And I foresee that even more maize than that may be exported by us in future, because South Africa has become an agricultural giant."

In Africa 150-million people were confronted by famine and full silos in South Africa meant

the Republic could negotiate from a position of strength as African countries could become increasingly dependent on South African agriculture.

Mr Schoeman was asked by a questioner whether it was morally right for South Africa to export maize to countries that harboured terrorists against whom South Africans had to fight to protect the country.

"I can assure you that not a single South African mielie is exported to Angola," the minister said. — Sapa

(Report by F Neuhoff, 627 Mutual Bldg. Harrison Street, Johannesburg)

The assistance of the following people, without which this work would never have materialised, is acknowledged with gratitude:
Dr's Robert and Susan Baker, Paediatricians, C.J.M. Hospital,
Miss Inelle Damm, Research Worker, S.A.I. N.,
Mrs. Ingrid Moller for six years as Sister-in-Charge
of the Administration ward at C.J.M. Hospital and who never
despaired and by whose example and dedication helped many others
of us not to despair.
The families of the households which were investigated
who so courteously allowed us to intrude into and record
their personal domestic affairs.

PRODUCE

How will SA dispose of this year's unmanageable mountain of maize?

3/16/81
CPR

Atop a mountain of maize, the five wise men of the Cabinet Food Committee decided last week what the new maize price should be. The outcome of their indaba is unpredictable, however, because they have surrounded themselves with as much confusion as secrecy.

At school, we learnt about the maize production triangle between, roughly, Lydenburg, Lydenburg and Ladysmith.

Today, the maize marketing triangle of producer, consumer and government has gained prominence. Right in the middle of the triangle, the Maize Board is trying to keep a precarious equilibrium.

Conflicting sounds must have reached the ears of the wise men atop the mountain.

The farmers put forward two sets of arguments. The SA Agricultural Union used to take the line that by not adequately keeping the prices of farm requirements in check, the Government had allowed cost inflation in agriculture to run well ahead of the general inflation rate.

Therefore, it was the Government's fault that South African maize was pricing itself out of world markets, causing export losses aggravated by the exclusion of agriculture from Government export benefits.

So the Government had to step in and make good the difference by a direct consumer's subsidy. The farmer could not carry the loss himself any more.

The National Maize Producers' Organisation (NAMPO) favours another angle. In keeping with its tilt towards a private business approach, it says

that in conditions of freer enterprise, the Maize Board could have sought the highest overall realisation for its product, offsetting export losses by increased domestic prices.

As the marketing act by which the Maize Board functioned, protected the consumer, it could not do so and it was up to the Government to take the price difference upon its own shoulders by subsidising the consumer.

At the maize mountain summit meeting, the Minister of Industries, Commerce and Consumer Affairs may

have taken the view that the consumer could not be expected to foot the export loss bill. It was the farmers' own fault that they were stuck with an unmanageable export surplus. Why produce such a surplus if they knew they would have no profitable market for their product?

Dr Horwood, from his armchair, may well have hauled at the suggestion of a mammoth subsidy to carry the export surplus can. He was trying to keep Government expenses down, despite huge tax surpluses.

Maize subsidies,

whether they be of the producer or consumer variety, would only insufficiently curb by disappointing productivity rises.

The Minister of Agriculture, Mr Pietie du Plessis, had already committed himself to a policy of ever rising maize production.

At Putterstein, the other day, opening the Ciba-Geigy seed production division, he said that improving hybrid seed technology was the key to multiplying South Africa's present maize crop.

At the mountain meeting, he might have pointed out that inefficient maize farmers were a dying breed. Despite inferior soils and climate South Africa's maize crop had overtaken Argentina's. Our average 1981 yield of about three tons per hectare almost equalled that of Argentina, which on its rich pampas soils produced 3,5 tons per hectare.

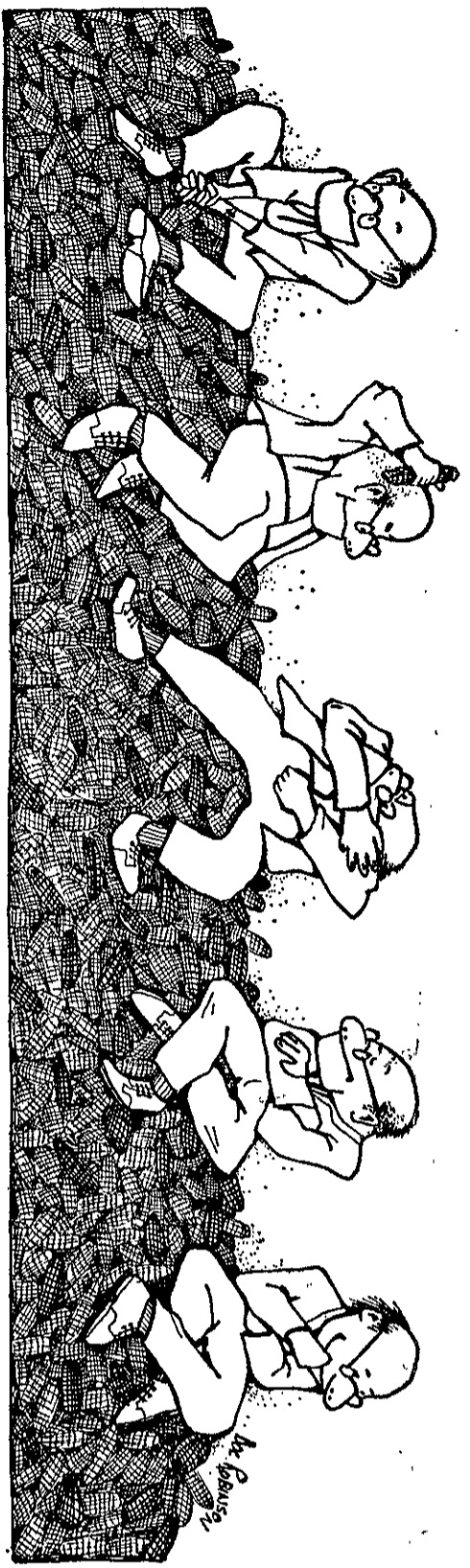
Earlier, Mr Pietie du Plessis' views had been backed up by the Prime Minister, who at the opening of the Goodwood Show said that food in the 1980s will be what oil was in the '70s — scarce and expensive. South Africa needed food surpluses to bolster its strategic position.

To which Dr Piet Gouw, General Manager of NAMPO replied asking where the food surplus was to come from if uneconomic fixed prices were to penalise the producer.

Undeterred by the debate, the maize industry was still keeping all signals at full steam ahead. The prospect is that the mountain of maize could well be bigger every year, providing the wise men with a higher and higher perch from which to struggle for some perspective.

The Maize Board has

PRODUCE



Continued from previous page

28-million tons. Maize farmers will certainly lose no time in jumping on the export bandwagon.

OTK, the giant Eastern Transvaal grain co-op has already put into operation an ambitious scheme to improve highveld soils. A generous credit plan enables farmers to ap-

ply mountains of agricultural lime to their croplands, as if trying to landscape the bumper mountain of maize.

The dissemination of technical knowledge to farmers has also vastly improved since the co-ops stepped into farm counselling in a big way.

The Director General of the Department of Agriculture and Fisheries, Dr D W Immelman, expanding on what his Minister had said at Putterstein, told farmers at Potchefstroom that the breeding of hybrid seed should concentrate on isolating strains that use less fertiliser for every kilogram of

maize produced, and make better use of the sun energy available to the plant leaves.

Efficiency of crop production could also be increased by new soil working technology, he said.

So the target of 28 million tons of maize in 2000 does look attainable.

At the same time, the Maize Board's estimate of a domestic consumption of about 9-million tons in 2000 has been greeted with some doubts. The last five years' local sales had been stuck around the 6-million-ton mark.

Population increased, but the per capita consumption consistently decreased. Between 1971 and 1973 and 1978 and 1980 the total per capita demand for maize meal had fallen by as much as 11 percent. Improved maize production in southern Africa's black states would tend to reduce the total local market even further.

Economists therefore estimate the exportable surplus by 2000 at about 21-million tons.

This puts maize export problems well into the forefront. At present, the net export price of about R120 a ton carries handling, storage, and transport costs of

'Food in the 1980s will be what oil was in the '70s — scarce and expensive'

expansion of Sasol, making maize fuel an economic proposition. This would transform the export and price position overnight.

Obtaining a full market price for the producer and at the same time charging the consumer an acceptable retail price could then be much less difficult than it appears today.

In short the Maize Board may wake up one day, finding that it has ceased to be a semi-state institution, to have become a semi-private business organisation instead.

It would be a nice platform for the five wise men when they gather on the maize mountain top again next year.

The Star Thursday April 16/1981

Hannes Ferguson Farming

been caught in the middle. Its long term production forecasts are as vague as the weather forecast.

Mr H Du P Nel, its General Manager, said at the Agrocon conference in January this year, that in making a straight line fit to the production curve up to 1980, a production of 14-million tons could be expected by the year 2000.

Continued on next page.

Maize export losses: footing the bill

By GERALD REILLY
Pretoria Bureau

MODERATE members of the Maize Board have fought off attempts by the National Maize Producers Organisation (Nampo) to make consumers pay for part of the huge losses expected on this year's export surplus of more than 6-million tons, it is understood.

Among them was the chairman, Mr Ben Wilkems. It is believed the view was that to load the coming higher consumer price with a levy to help pay export losses would have imposed unjustified hardship on lower income groups.

Another argument against making the consumer jointly responsible for the loss was that farmers must accept the normal commercial risk of producing a surplus.

At its congress in Klerksdorp earlier this year Nampo asserted that the Government and consumers should be jointly responsible with producers for any export losses — "because a big maize crop benefits the whole country".

And although no confirmation could be had from the board yesterday, it is likely that the board's price recommendation to the Government provides that producers should foot the entire bill for export losses.

Which means that the production levy will be high — between R10 and R14 a ton.

If the consumer had been made to carry part of the loss, consumer prices of maize products could have risen, by substantially more than 20%, including the expected higher price.

The new price of about R145 a ton is expected to be announced by the Minister of Agriculture, Mr Pietie du Plessis next week. The current price is R122 a ton.

Meanwhile Nampo is now in a position to take control of the Maize Board when the new board is appointed in June.

Bumper levy expected on record maize crop

S. Express 19/4/81

3 maize

By DEREK TAYLOR
Business Editor

THE producers' price for this year's bumper maize crop will be announced on Thursday, according to sources within the maize milling industry.

The farmers will get a price close to the increase expected by the National Maize Producers' Organisation (Nampo) — R143/t for white maize and R140,87 for yellow, say the sources.

But the Government — faced with a choice of alienating farmers or consumers — is believed to have decided to make the producers pay a biggest-ever levy for each ton sold.

The levy is expected to be pitched between R11/t and R14/t. Last year, levies totalled R2/t.

Such a price increase — up about R38/t to R41/t over last year's average R102,70/t — will give this season's anticipated crop a value of nearly R2 000-million. This includes a surplus costing about R1 140-million which will be difficult to export as the railways and harbours can

deal with less than half of it in the season.

Last year's maize was paid for at R102/t and exported at an average of R111,66/t — losing R31,157-million on exports alone.

But, this season, with a levy bill expected to total between R147,4-million and R187,6-million, farmers will be forced to make their biggest ever contribution to covering the losses on surplus.

Speculation within the industry sees two main motivations for the Government's decision.

● The popular outcry against inevitable big price increases in all foods associated with maize can be offset by pointing to the wounded reaction of the producers at the size of their levy.

How can a crop as crucial as maize defy all the normal laws of supply and demand by costing more at a time of massive surplus?

It's easy — all you need is a government which believes in protectionist policies designed for pre-war needs.

Nobody yet knows exactly how big this year's record crop will be; estimates range from 10 to 18-million tons.

The latest official estimate would have been released on April 15, but at the end of last week a Department of Agriculture spokesman said "technical problems" had delayed the calculation of a firm figure.

Even the standing official estimate of 13.5-million tons will be 25% more than last year and 50% more than the Maize Board's own long-term prediction, thanks to good husbandry, better technology and excellent weather.

But local consumption, a static figure for the past six years, is only about 6-million tons, divided about equally between people and animals.

Assuming a crop of 14-million tons, this means there will be a surplus of about 8-million tons — but the Maize Board will still be compelled to buy 70% of the crop, beginning on May 1, at the new price to be set by the Minister of Agriculture this week.

The surplus is double what the board managed to sell overseas in the last 12 months and more than the 5-million tons of railways can move.

At a new price of R146 a ton, it means taxpayers' money will have to be used to buy 3-million unsaleable tons at a cost of about R438-million.

And, because the world maize price fluctuates around a lower R90 a ton, the loss on the export of 5-million tons could be around R56 a ton, or R280-million.

This takes the total cost to the taxpayer of this year's bumper crop up to R718-million.

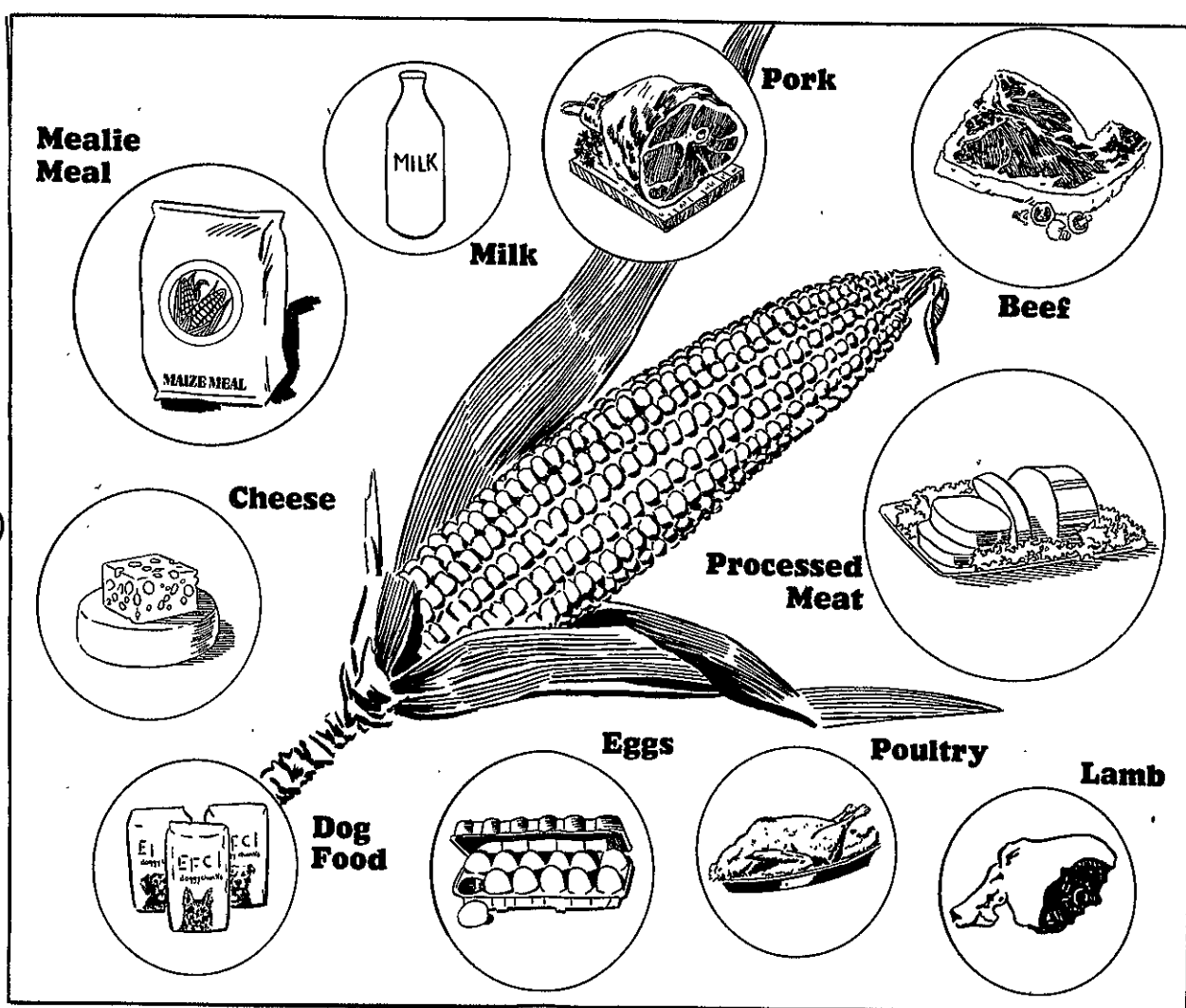
Taking into account a carry-over of 3.2-million tons from last year (including a 1-million ton emergency stockpile), South Africa will have 6.2 million tons of maize it doesn't know what to do with — the equivalent of a year's consumption.

This huge surplus also comes at a time when local consumption is falling and observers have noted that the net result of the mess is that while many South Africans go hungry because they can no longer afford to buy maize, the country is exporting maize at a loss so that foreigners can fatten their cattle and pigs.

THE BACK TO FRONT MAIZE ECONOMY

RDM 20/4/81
3maize

South Africa is expecting a massive maize surplus this year. But in spite of this, consumers will be hit by a big price increase which will probably be announced on Thursday. Why the anomaly? MARTIN FEINSTEIN and GERALD REILLY examine this latest Great Food Price Scandal.



Some of the products whose prices will be affected by the increased cost of maize. Economists warn the inflationary effect will be felt for years.

There is even doubt whether South Africa will be able to sell as much as it hopes to other African countries: Zimbabwe and other African countries are also assured of good crops. So these markets, which were available last year, will now be closed — apart from the political factors which predispose Africa to buy from Zimbabwe rather than from South Africa.

The powerful National Maize Producers' Organisation (Nampo) is pressing the Government to increase the maize price on the basis of a claimed 25.5% increase in production costs — R83.33 a ton last year — of which 17.34% was made up by fuel and fertilisers.

But several agricultural economists say this is a spurious argument because a 25% increased yield has come from the same area of land — good weather costs nothing.

"The protections in this mar-

ket have now grown far beyond the need for them," according to Professor Eckhardt Kassier, a Stellenbosch University economist.

"The system has lasted too long and now it has caught up with us. It is time for a drastic rethink," he said.

Consumer spokesmen, who point out that until a year ago South Africa had a Minister of Agriculture who is one of the biggest and wealthiest maize farmers in the country, say the producers are "pampered and cossetted" by a Government which is extremely sensitive to the powerful farmers' lobby.

They say the pricing and marketing system has pushed the cost of maize to unacceptably high levels, that this has encouraged over-production and inefficient farming and that the consumer has to pay both for the local surplus and export losses.

The Food Crisis Group, made



up of concerned members of the food industry, has also called on the Government to take immediate account of the "catastrophic" effects its pricing and control policy have had.

The group states categorically that export losses will have to be carried by the consumer.

The independent ombudsman, Mr Eugene Roelofse, calls maize farmers the "molly-coddled darlings of the Government".

They were in the privileged

position of being able to over-produce without suffering the economic consequences; if there were losses, the farmer should pay for these up to the hilt.

The Prime Minister had committed himself to the free enterprise system, Mr Roelofse said — "so why should the farmer be the exception?"

The mealie farmer, shielded from price competition and risk, wanted the Government and the consumer to share the huge losses expected on exports.

Mr Roelofse said the increase in farmers' wealth was parallel to the growing poverty of a large section of the population.

"Therefore, instead of exporting maize at a loss, it should be made available at lower prices in South Africa."

Against this background, and with the new price known, consumers will be asking:

- WHY the Maize Board's stabilisation fund — used to pay for export losses — is R40-million in the red, when it had R70-million six years ago?
- WHY the maize price has increased 71% over the last three years, over twice the rate of inflation?
- WHY the price of good maize land has risen by between 50% and 100%, to over R1 000 a hectare, in the last two years?
- WHY the Maize Board is dominated by big producers who, according to agricultural economists, have the most to gain from the status quo?
- WHY the 80% of farmers who only produce 20% of the crop benefit equally from a price set according to the costs incurred by all farmers?
- WHAT will happen to the 6.2-million tons of maize that cannot be sold or exported?
- WHAT the Government intends doing about the inevitable

ripple effect which will be felt in the meat, poultry, egg and dairy industries.

According to one economist, "there is a very real danger that producers have been waiting to use the maize increase as a chance to 'consolidate' other earlier, smaller increases".

"It also happens that the use cost increases as an excuse to raise their profit margin," he said.

Perhaps the most sensible alternative to the present system comes from Prof Kassier, who objects to the idea of setting administered price for maize on the basis of production cost in a time of surplus.

This sort of pricing is appropriate only to times of shortage, he said.

Instead, he proposes a guaranteed price up to a certain quantity — say 6-million tons with extra crops to be produced at the farmers' own risk.

THE deputy director of the South African Agricultural Union, Mr Piet Swart, says it is a fallacy that consumers have to help pay for export losses.

The cost was borne by the producer, who paid a levy which was not built into the maize price; if the price was fixed at R120 a ton, then that was the price at which it was estimated farmers would be given a "reasonable return".

It was only then, Mr Swart said, that the levy was taken, meaning that the farmer's net price was the "reasonable" price less the levy.

He said he could state categorically that consumers at no stage helped subsidise losses on export maize, and that last year's Government subsidy of R50-million had been directly used to lower the consumer price.

Last year the producer's price was fixed at R122.65, plus handling charges of R12.50 a ton, which took the price to R135.15.

The subsidy was used to cover the handling charges, which brought the price back to R122.65.

Other agricultural spokesmen also deny the loss on exports is paid for by taxpayers. Their argument is that for this year, when the price is likely to be between R143 to R147 a ton, farmers will be paying a levy of about R13 a ton.

The Government will advance the millions of rands to

It's a fallacy, say farmers

cover the export losses and the farmers will repay this over a period of years through the annual levies.

But this argument overlooks two facts: ● The Government subsidy is already built into the maize price. This past year a transport and handling subsidy of R12.50 a ton was built into the price — so the more farmers produced, the more taxpayers had to pay out.

For the coming crop, if the pattern is repeated, the subsidy will be at least as high, if not higher.

Thus the apparent levy paid by farmers to cover export losses is in fact a taxpayers' subsidy in disguise.

● In addition, farmers can obtain Land Bank Loans to pay for machinery, seed or whatever. That is only possible because the Land Bank is a Government institution and its existence and its exceptionally low level of interest is made possible because of taxpayers.

Here again there is a hidden subsidy for farmers.

Other agricultural economists reject the argument that the consumer would benefit if control were abolished and the maize price exposed to free market forces.

An expert on crop production and costing said the assessment of production costs was based on a "representative" group of 300 farmers.

All farmed in the "high potential" areas which produced 65% of the crop on 55% of the planted land.

These were the efficient farmers, and costing was based on their operations and not on the marginal areas where costs were higher.

It was therefore not true to say that the price was fixed at a level that would ensure the most inefficient farmer a living.

The arid, semi-arid or mountainous nature of nearly 90% of the country, leaving only 3% of the remaining arable land with a high crop-producing potential.

He did say, however, that labour costs were decreasing as:

- The switch to mechanisation, particularly in weed control and combine harvesting — had reduced intensive labour needs at peak periods.
- Previously, farmers had to over-employ through the year to ensure enough workers to cope with harvest time.
- Maize was increasingly handled in bulk, instead of time and labour-consuming bagging.

Taxpayers face record maize bill

3 Maize
RDY
20/4/81

By MARTIN FEINSTEIN and PAT SIDLEY

MAIZE — South Africa's pivotal agricultural product — is heading for a record surplus that is going to cost taxpayers at least R700-million.

And not only will taxpayers have to pay for the surplus, but the new maize price, expected to be announced on Thursday, will also push the price of other basic foodstuffs through the roof.

These include beef, pork, chickens, eggs and dairy products, all of their prices geared to that of maize. These shocks come at a time when the food price index is running 30% higher than a year ago and twice as high as the overall Consumer Price Index. And the price of meat has risen by about 53% in the past year.

The maize price rise is caused by an anomaly: the higher the price, the bigger the crop, the greater the loss.

And the coming year's gigantic loss underlines a basic point: maize is a mess.

That is one clear, inescapable fact amid the muddle, confusion, conflicting claims and statistics which surround the industry.

The problems for taxpayers stem from three basic factors:
● The price of maize is fixed by the Government. In good years and bad years farmers are assured of an official price. They cannot lose. The result is that within the last three years the price of maize has soared by 70%, leading to other price rises down the line.

● There is no control of production. Farmers can plant as much maize as they like and are guaranteed payment for every bag, whether it is consumed here, exported, or stored for years in silos.

● The South African price of maize is well above that of the world price and this means that every ton it exports is at a loss.

This year's maize crop is expected to produce about 14-million tons. Of this about 6-million will be consumed in South Africa, a maximum of 5-million tons exported and the other 3-million stored in silos.

Taxpayers must foot an estimated bill of about R280-million for the export loss and R430-million for the rest of the surplus.

Economists have warned that this and allied price increases will cause an inflationary shock wave that will be felt for years.

This week's increase — from R122 a ton to about R146 — will push the price of fresh chickens



The back-to-front maize economy — See Page 7.

Irreversibly past R2 a kg and bring eggs closer to R1 a dozen. It will slip about 60c a kg on to the farmers' costs for maize. kg for about 60c a kg on market price to at least R3 a kg for super beef. And mealie meal, staple food for millions of blacks, will cost at least R4.14 for a 12.5kg bag — 69c more. Milk and cheese prices are expected to go up by at least 15%.

These tentative figures are the price latest shock in the maize price scandal, which has seen in three years — more than twice the rate of inflation. The floor price of beef is to be raised in July — and maize will be one of the main costs taken into account by the Meat Board when assessing the cost of producing feedlot animals. And an agricultural economist warns that "a universal multiplier effect" there is a "very real danger" that whole salers could aggravate the maize price by using it as a cue to "consolidate" smaller, earlier cost increases.

The economist — a university professor, said: "It also happens that they use cost increases as an excuse to raise their profit margins." Maize industry sources announced on Thursday that the managing director of Checkers, Mr Rex Glanville, said: "The effect will be serious. He said the Government should hold down the maize price until the present 'food crisis' was over.

use involved in running... area were roughly estimated at R300,000, bringing the total... 84.
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Minerals

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Medicine

For minor ailments, 15 and V Milk for child 15 patient

Health

A small amount That list of Health

3-Maize

Maize surplus will cost taxpayers R700m

JOHANNESBURG — Maize — South Africa's most pivotal agricultural product — is heading for a record surplus that is going to cost taxpayers at least R700 million.

And not only will taxpayers have to pay for the surplus, but the new maize price, expected to be announced on Thursday, will also push the price of other basic foodstuffs through the roof.

These include beef, pork, chickens, eggs and dairy products, all of whose prices are geared to that of maize.

These shocks come at a time when the food price index is running at 30 per cent higher than a year ago and twice as high as the overall Consumer Price Index. And the price

of meal has risen by about 53 per cent in the past year.

The maize price rise is caused by an anomaly: the higher the price, the bigger the crop, the greater the loss.

The problems for South Africa's taxpayers stem from three basic factors.

The first is that the price of maize is fixed by the government, so that in good years and bad years farmers are assured of an official price.

The result is that within the last three years the price of maize has soared by 70 per cent.

Secondly, there is no control of production. Farmers can plant as much maize as they like and are guaranteed pay-

ment for every bag.

Thirdly, the SA price of maize is well above that of the world price and this means that every ton South Africa exports is done so at a loss.

This year's maize crop is expected to produce about 14 million tons. Of this about 6 million will be consumed in South Africa, a maximum of 5 million tons exported and the other 3 million stored in silos.

Taxpayers will have to foot an estimated bill of about R280 million for the export loss and R430 million for the rest of the surplus.

Economists have warned that this and allied price increases will cause an inflationary shock wave that will be felt for

years.

This week's increase — from R122 a ton to about R146 — will push the price of fresh chickens irreversibly past R2 a kg and bring eggs closer to R1 a dozen.

It will slap about 60c a kg onto the farmers' costs for maize-fed beef, eventually pushing the market price to at least R3 a kg for super beef — probably more.

And mealie meal, staple food for millions of blacks, will cost at least R4,14 for a 12,5 kg bag — 69c more.

Milk and cheese prices are also expected to go up by at least 15 per cent.

"The effect will be serious," said the managing director of Checkers, Mr Rex Glanville. — DDC.

WORKING-CLASS WOMEN AND THE SEXUAL DIVISION OF LABOUR.

Capital relies for its perpetuation on the existence of a reserve army of workers. This 'reserve' can be taken on during times of economic boom and can function to keep wages down in slacker periods. [The threat of replacement by other unemployed workers is often enough to force workers to refrain from making demands of their bosses]. Women constitute a reserve of a peculiar type: - When capital no longer requires them in the workforce [either as a result of increasing mechanisation - women are usually the first to lose their jobs in this case as they tend to be employed in the least skilled fields of production; or as a result of economic depression] they can be re-absorbed back into the family.

Ideologically it is relatively acceptable for women workers to be made redundant - they are regarded as supplementary earners [their husbands are regarded as the breadwinners] whose primary responsibilities remain within the household. Not only this, but it also becomes acceptable to settle women's wages at lower rates than those of men. [There are not only discrepancies between the wages of men and women in the same jobs, but more importantly, enormous discrepancies between the wages paid in "typically men's" jobs and "typically women's" jobs - As mentioned earlier women tend to be employed [in S.A. in agriculture and service industries e.g. catering, garment production].

The advantages for capital of the sexual division of labour in the workforce are many:-

- 1) women's wages remain low, since their family of origin and then their husbands, are held partly responsible for their living costs.
- 2) patriarchal [male-dominated] relations are reproduced at work - men become "bosses", women don't etc.
- 3) women frequently are subject to temporary terms of employment - hence the state and capital can disclaim all responsibility for their unemployment, should they be made 'redundant' for any reason.
- 4) in relation to wages as a whole, men's and women's wages being negotiated separately because they are performing different work, are settled at lower rates than they might be if assessed together.
- 5) most importantly, men and women tend to remain divided as a workforce. The actions of women workers tend to be mediated by the responsibilities they have toward the household and by their relative insecurity in the workforce. Consequently they tend to be less militant than their male counterparts in their demands for higher wages and better working conditions. In some fields of employment they in fact remain entirely unorganised e.g. in domestic service, and in S.A. in agriculture, where there are no legal provisions for worker organisation. In sum, a divided workforce is a controllable one.

Maize price rise feared

Consumer Reporter

IF the Maize Board increases the price of maize by 20 percent — as many people fear — by next month, it will have a catastrophic effect on the cost of living.

Food prices, which rose by 30 percent in the past year, will shoot up still further.

For maize, apart from providing mealie meal, the staple diet of the country's black population, is also an important factor in the cost of meat production and dairy farming.

Any substantial rise in the price of maize will send up the cost of red meat, pork, chickens, eggs and dairy products.

It will also affect the side range of manufactured foods in which meat and dairy products are used.

And taxpayers will be paying twice.

For in addition to paying more for food they

will also be paying a bigger subsidy on the tons of maize which are certain to be exported at a loss this year.

The bumper crop which the country's 30 000 maize farmers have produced this year means that 7-million tons will have to be exported. This will be done at a loss because SA prices are above world prices.

This means that the higher maize price will help to offset losses suffered by the Maize Board on exports.

Maize farmers pay production levies designed to help meet such losses, but their organisation, in asking for a price increase this year, suggested that a bigger proportion of these losses should be met by the taxpayer and consumer.

The supermarket industry is among opponents of the proposed increase.

Mr Raymond Ackerman, head of Pick 'n Pay, told

me in a recent interview that he thought a 20 percent increase would be disastrous in its effect on the consumer and would intensify the food crisis.

He said that although he knew fertiliser costs had gone up he did not think a 20 percent increase justified.

At a consumer conference in Johannesburg last month, Mr Ackerman said that, after discussions with farmers in Klerksdorp, the Free State and Transvaal, he had come to the conclusion that they did not need an increase in the maize price at all this year.

He said the bumper crop, which the Maize Board is obliged to buy from the farmers, would more than compensate them for the increased costs of production.

Meanwhile, the annual report of the giant Tiger Oats Milling Co shows that while the price of mealie

meal has risen steeply during the past two years, consumption has 'declined noticeably.'

And the high price of maize in this country compared with overseas made it possible for chickens to be imported profitably by Checkers and a wholesale firm supplying small retailers.

29 -
 icted poisoning by motor vehicle exhaust gas"
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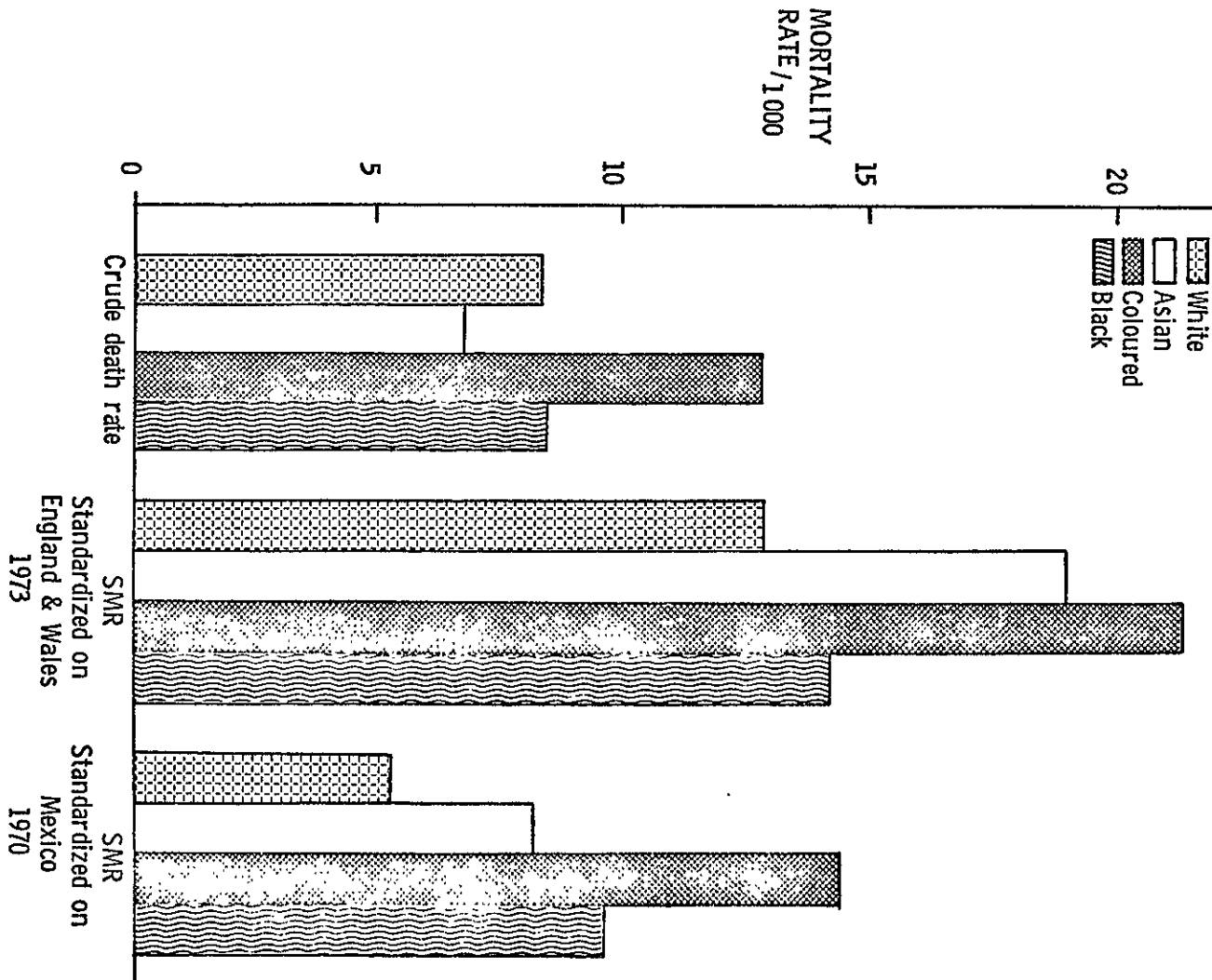


Fig 1. Crude Death Rate and Standardized Mortality Rates for Whites, Asians and Coloureds: 1974

Cabinet nod to maize cost rise expected

RDM 22/4/81 (3maize)

Pretoria Bureau

THE Cabinet was expected to give its go-ahead yesterday for an increase in the price of maize — a move which will force up the consumer prices of a wide range of basic foods.

An announcement by the Minister of Agriculture, Mr. Pietie du Plessis, is likely tomorrow.

The increase is expected to be between 15% and 20%, which would bring the price to between R140 and R146 a ton. The present price is R122,40.

The Cabinet is believed to have rejected a strong approach from the National Maize Producers' organisation to make consumers contribute directly to meeting the huge export losses expected on the biggest surplus so far.

The Maize Board's stabilisation fund, which cushions export losses, is known to be deep in the red.

The farmers' levy is, therefore, expected to be the biggest

POLITICAL comment in this issue by Allister Sparks, Benjamin Pogrand, John Ryan, Lin Mingo; newsbills by Peter Bunkell; headlines and sub-editing by Paul Holroyd; cartoons by Bob Connolly; all of 171 Main Street, Johannesburg.

on record. It could be as high as R14 a ton.

Unprecedented export losses are forecast. Depending on prevailing prices on world markets, the total loss could be between R250-million and R400-million.

Meanwhile, Mr Du Plessis has commented to an Afrikaans morning newspaper on Rand Daily Mail reports estimating that the huge surplus will cost taxpayers at least R700-million.

He claimed the "Mail" estimate was far off target.

The Minister said the new price would be fixed "with the greatest degree of responsibility", taking into account its influence on the inflation rate.

He claimed the big crop this year — estimated at about 14-million tons — did not constitute a crisis or even a problem. It was a challenge that would be met and solved.

The consequences of a rise in the retail price of mealies would also be taken into account. Mealie meal is the staple diet of millions of blacks.

Replying to criticism that there was no control over the

planting of maize, Mr Du Plessis said there was no more planting this year than in previous years. A variety of factors had contributed to a bigger harvest.

World market prices were not always favourable. This situation, however, could change suddenly and drastically.

Over the years, Mr Du Plessis claimed, the maize producer could have obtained better prices on world markets than locally. However, producers realised their responsibility to the local market, and had actually subsidised the domestic consumer, he said.

The Government could not allow a situation in which there was a surplus when the price dropped sharply, and the following season, when there was a shortage, allow the price to rise just as sharply.

The surplus problem would take "a little time and a cool head", but it would be solved, he said.

Mr Du Plessis charged there was no outcry when the prices of other commodities rose — "it's only over rising food prices that a row is kicked up".

speaking. Interviews with blacks were carried out with the aid of a local teacher. Residents of the urban locations were intercepted along the main road from town, and farm workers' families were contacted at the uitspanning yard or in the doctor's queue. It was found that by far the largest proportion of the rural people had come into town to see the doctor since a new doctor had just taken up residence and opened his practice in the town; thus was no possibility of obtaining a random sample in the limited time available.

Altogether 51 blacks were interviewed, 36 from the location close to town, and 15 from farms. They gave information on 77 people from the district and described at least 89 illnesses. Behaviour in relation to health services was noted in each case.

No statistical accuracy is claimed for the result. That can be inferred from the study is the range of possibilities for obtaining health care in Tiersdorp and the various groups of residents, and some of the problems encountered by the sick.

Table 1: Initial choice

No subsequent choice
Subsequent choice
Dr. SURGEON
Previous
Tiersdorp
Outside drs.
Hospital
Indigenous
practitioner
Employer
None/home
treatment
Total
Returning to another
a subsequent
Double
† Figures
and where

(it) In the United States of America the extent of government subsidies to the pharmaceutical industry is in the order of 3%. This compares unfavourably with subsidies to the missile and aircraft industry (88%), the electrical industry (62%), the motor vehicle industry (26%), and with the subsidy to industry in general (55%) (14). The author is not aware of any data as to the extent to which the pharmaceutical industry is subsidised by the government in South Africa.

characteristics in society, the industry, and the consumers (patients) themselves. Furthermore, the influence of the pharmaceutical manufacturer is modified through the screen of the prescribing doctors (15) (Figure 2). Thus, the price of medicines is subject to certain factors over which manufacturer and doctor have little control (for example, the economic climate of the country, social changes, shifts in legislative thinking). Considerable change in the social environment was a prerequisite for the marketing of oral contraceptives. In addition to social and legislative change, other factors include the competitive atmosphere to attract portions of the market by pharmaceutical coding (16) of registration of Medicines taken by Medicines Control Commission. The voice of the consumer in this country.

Consumer Reporter
 THE Maize Board will tomorrow announce the price for this year's crop and retailers and food manufacturers warn that any substantial rise will be 'disastrous' to the cost of living.
 Maize is not only the staple food for the blacks, but is used to feed livestock. Any rise will cause the cost of red meat, pork, chickens, eggs, dairy products and a wide range of manufactured foods to go up.
 Supermarket chiefs said today they saw no reason for the maize price to go up at all, since farmers have produced a bumper crop, all of which the Maize Board is obliged to buy.

They say this increased quantity will compensate farmers for the rise in their production costs, mainly due to a rise in the price of fertiliser, without any increase in the price.

RUMOURS
 But the Minister of Agriculture, Mr Piet du Plessis, has already announced, in a speech in Natal, that the maize price will go up and there are rumours that the increase will be as much as 20 percent.

Rises in the maize price in the past two years have already caused consumption to fall, according to Mr R E L Frankel, chairman of Tiger Oats, one of the major milling companies.

Mr Frankel pointed out in his annual statement that, because the price fixed by the board for

maize in this country is already higher than the world price, eggs and chickens can now be produced so much more cheaply overseas than here that it is profitable to import them.

IMPORTANT
 Mr John Barry, area manager for Pick 'n Pay, said he hoped there would be no increase or a very small one.
 He said it was important that the consumer should be protected against any more rises in the cost of food, which has already risen 30 percent in the past year.

Mr Chris Niehaus, operations manager for Checkers in the Eastern and Western Cape, said: 'Any big increase in the price of maize will make inflation worse.'

'Food prices are crazy at the moment and we are faced with continual increases.'

'Any big increase in the price of maize will certainly lead to big increases in other food prices.'

Mr Manual Sachar, chairman of Grand Bazaars, said: 'There is no question that any increase in the cost of maize will increase the cost of living and affect many basic foods including milk.'

'DISASTROUS'
 'This will be absolutely disastrous for the consumer.'

A leading local egg producer also used the words 'absolute disaster' to describe any substantial increase in the maize price.

He said: 'With chickens and eggs, 70 percent of production costs is feed,

and maize makes up a large proportion of this. The price of eggs will have to go up by whatever amount the price of maize goes up, just to cover our increased costs. There is nothing whatever we can do to avoid this.'

brand loyalty
 influencing the
 Factors such as:
 and hospital u
 determining the
 they have to c
 Numerous ot
 prescribing pa
 detail-men (me
 interaction and transfer of
 doctor (18,19,20).

manufacturer incurred during delays in registration (registration in South Africa is with Medicines Control Council); and the costs of the initial laboratory and clinical trials required by the registration authorities.
 The cost of developing a new drug has been estimated at approximately 55 million U.S. dollars, even if no special plant construction is needed (16). Major research-based pharmaceutical companies spend about 10-15% of their total world-wide sales on research (16). The current difficulties experienced by the pharmaceutical industry with respect to problems associated with research, development and registration of new medicines were discussed at the XIth CIOMS Round Table Conference on Trends and Prospects in Drug Research and Development in Geneva in December, 1977, and have been reviewed by Charlton (16).

Cost of living 'disaster' fear on maize price

Aug 22/4/81

THE COST OF A MEDICINE

The factors contributing are indicated in Table 4. to highlight are as follows:
 (i) certain costs in controllable or and development. importation of the registration.

Pre-war policies fuel maize shocks

3 Nov 70
CT 22/4/81

'Losses not subsidized by consumers'

Own Correspondent

JOHANNESBURG. — How can a crop as crucial to a developing country as maize defy all the normal laws of supply and demand by costing more at a time of massive surplus and send an inflationary shock wave through the meat, poultry and dairy industries?

It's easy — all you need is a government which believes, in this year of the largest-ever maize crop, in protectionist policies designed for pre-war needs.

Nobody yet knows exactly how big this year's crop will be; estimates range from 13 to 18 million tons.

Estimate

The latest official estimate should have been released on April 15, but at the end of last week a Department of Agriculture spokesman said "technical problems" had delayed the calculation of a firm figure — at least until this week.

Even the standing official estimate of 13.5 million tons will

be 25 percent more than last year and 40 percent more than the Maize Board's own long-term predictions, thanks to good husbandry, better technology and excellent weather.

Surplus double

Assuming a crop of 14 million tons, this means there will be a surplus of about 8 million tons — but the Maize Board will still be compelled to buy 95 percent of the crop, beginning on May 1, at the price to be set by the Minister of Agriculture this week.

Doubt

There is even doubt whether South Africa will be able to sell as much as it hopes to other African countries. Zimbabwe is also harvesting a record crop and is expected to have about 1 million tons for export, although it is an open question whether importers to the north will consider it politically preferable to South Africa's "white" maize.

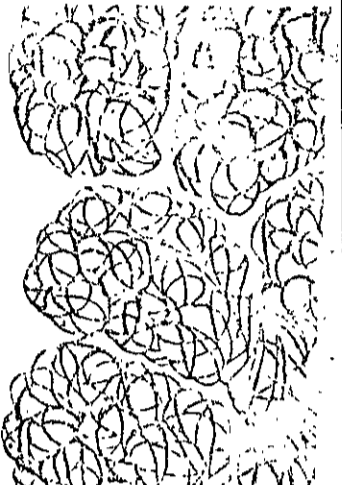


PLATE 11

will have to be used to buy 3 million unsaleable tons at a cost of about R438-million.

And because the world maize price fluctuates around a much lower R90 a ton, the loss on the export of 5-million tons would be around R56 a ton, or R280-million.

This takes the total cost to the taxpayer of this year's bumper crop up to R718-million. Taking into account a carry-over of 3.2-million tons from last year (including a 1-million ton emergency stockpile), South Africa will have 6.2 tons of maize it doesn't know what to do with — the equivalent of a whole year's consumption.

'Spurious'

But several agricultural economists say this is a spurious argument because a 25 percent increase in yield has come from the same area of land — good weather costs nothing.

The protectionists in this market have now grown far beyond the need for them, according to Professor Eckhardt Kassier, a Stellenbosch University economist.

"The system has lasted too long and now it has caught up with us. It is time for a drastic rethink," he said.

Consumer spokesmen, who point out that until a year ago South Africa had a Minister of Agriculture who was one of the biggest and wealthiest maize farmers in the country, say the producers are "pampered and coddled" by a government which is extremely sensitive to the powerful farmers' lobby.

They say the pricing and marketing system has pushed the cost of maize to unreasonably high levels, that this has encouraged over-production and inefficient farming and that the consumer has to pay for the

losses incurred in exporting surpluses.

The Food Crisis Group, made up of concerned members of the food industry, has also called on the government to take immediate account of the "catastrophic" effects its pricing and control policy have had.

The group states categorically that export losses will have to be carried by the consumer.

'Mollycoddled'

The independent ombudsman, Mr Eugene Roelofse, calls in a letter to farmers the "mollycoddled darlings of the government".

They were in the privileged position of being able to over-produce without suffering the economic consequences. If there were losses, the farmer should pay for these up to the hilt.

The Prime Minister had committed himself to the free enterprise system, Mr Roelofse said — "so why should the farmer be the exception?"

The maize farmer, shielded from price competition and risk, wanted the government and the consumer to share the huge losses expected on exports.

Mr Roelofse said the increase in farmers' wealth was parallel to the growing poverty of a large section of the population. "Therefore, instead of exporting maize at a loss, it should be made available at lower prices in South Africa."

Against this background, and with the new price known, consumers will be asking:

- **WHAT** will happen to the 6.2-million tons of maize that cannot be sold or exported?
- **WHAT** the government intends doing about the inevitable ripple effect which will be felt in the meat, poultry, egg and dairy industries.

Speculation

The "multiplier" effect of a maize price increase is undoubted; the speculation centres on how it will pan out at the retail level — and how long it will take.

According to one economist, "there us a very real danger that producers have been waiting to use the maize increase as a chance to 'consolidate' other earlier, smaller increases."

"It also happens that they use cost increases as an excuse to raise their profit margin," he said.

According to the managing director of a major chicken producer, the impact could take as long as six months to a year to fully manifest itself in higher retail prices.

Perhaps the most sensible alternative to the present system comes from Professor Kassier, who objects to the idea of setting an administered price for maize on the basis of production costs in a time of surplus. This sort of pricing was appropriate only to times of shortage, he said.

Instead, he proposes a guaranteed price up to a certain quantity — say 6-million tons — with extra crops to be produced at the farmers' own risk.

Other views

Some other views on the maize price:

- The managing director of Premier Milling, Mr Tony Bloom, says the price should be set high enough to ensure sufficiency of supplies for the local market, especially white maize, to provide for population growth and politically rewarding exports.
- Dr Philip Spies, of Stellenbosch University's Institute for Futures Studies, says the government is using contra-cyclical pricing policies — based on the Marketing Act and originally devised to meet the very different difficulties of the 1930s — to heal serious structural problems in agriculture.

He doubts whether there is justification for any increase in the price.

JOHANNESBURG. — The deputy director of the South African Agricultural Union, Mr Piet Swart, says it is a fallacy that consumers have to help pay for export losses.

He said the cost was borne by the producer, who paid a levy which was not built into the maize price, if the price was fixed at R120 a ton, then that was the price at which it was estimated farmers would be given a "reasonable return".

It was only then, Mr Swart said, that the levy was taken, meaning that the farmer's net price was the "reasonable" price less the levy.

He said he could state categorically that consumers at no stage helped subsidize losses on export maize, and that last year's government subsidy of R50-million had been directly used to lower the consumer price.

Other agricultural spokesmen also deny the loss on exports is paid for by taxpayers. They argue that for this year, when the price is likely to be between R143 to R147 a ton, farmers will be paying a levy of about R13 a ton.

The government will advance the millions of rands to cover the export losses and the farmers will repay this over a period of years through the annual levies.

But this argument overlooks two facts:

- The government subsidy is already built into the maize price.
- This past year a transport and handling subsidy of R12.50 a ton was built into the price — so the more farmers produced, the more taxpayers had to pay out.

For the coming crop, if the pattern is repeated, the subsidy will be at least as high, if not higher.

Thus the apparent levy paid by farmers to cover export losses is in fact a taxpayers' subsidy in disguise.

- In addition, farmers can obtain Land Bank Loans to pay for machinery, seed or whatever. That is possible only because Land Bank is a government

institution and its existence and interest is made possible because of taxpayers.

Other agricultural economists reject the argument that the consumer would benefit if the control were abolished and the maize price exposed to free market forces.

They said there would be wild price fluctuations, from extremely low in flush years — which could put smaller farmers out of business and cause long-term shortages — to extremely high in poor years.

Dr Johan Cloete, a Barclays Bank economist, says farmers are victims of inflation.

The maize price does not rise in isolation, he and his colleagues point out: in fact the net increase in farmers' income has been as low or lower than the inflation rate.

Recalling the late 1960s and early 1970s, when crops fell short and maize had to be imported at inflated prices, they say the need to grow enough maize for a developing population in a country of wild climatic variations will obviously yield surpluses from time to time.

An expert on crop production and costing said the assessment of production costs was based on a "representative" group of 300 farmers.

All farmed in the "high potential" areas which produced 65 percent of the crop on 55 percent of the planted land.

"These were the efficient farmers, and costing was based on their operations and not on the marginal areas, where costs were higher."

He did say, however, that labour costs were decreasing as:

- The switch to mechanization had reduced intensive labour needs at peak periods. Previously, farmers had to over-employ through the year to ensure enough workers to cope with harvest-time.
- Maize was increasingly harvested in bulk, instead of tins and labour-consuming bagging.

Sign of relief

Maize price rise
of 'only' 9,5 percent
pleases food industry

Mercury Reporter

THE food industry heaved a sigh of relief yesterday when the Government announced that the selling price of maize would be increased by only 9,5 percent.

However the announcement held little satisfaction for many farmers faced with a quadrupled levy.

A spokesman for the Natal Landboukoöpb Bpk, Mr K van Rooyen, said farmers were disappointed there had been no increase in the producer price.

It has come as a surprise and many farmers hit by increasing production costs and drought will be very disappointed.

According to Mr van Rooyen the selling price would now be about R134 a ton, but the producer's price would remain at R118,25 a ton. This meant that farmers, regardless of the success of their crop, would now have to pay a levy of R16 a ton, he said.

Somebody made a big mistake when the price of maize was increased by more than 20 percent last year.

It's a pity the Government has seen fit to rectify a mistake by drastic means, he said.

The minister says it was not necessary to increase the producer's price because of the good season — but what about areas such as Greytown where there has been drought for two successive years? These farmers will now have to pay R16 instead of R4 a ton.

Meanwhile, Mr Colin Clark, managing director of Pick 'n Pay for Natal, said the food industry had expected a far larger increase but he was pleased the Government

was doing its best not to add to the inflation spiral.

He said most products, especially poultry, dairy products, red meat, cereals and pet food, would still increase by about 10 percent. Eggs are expected to cost at least 4 c a dozen more, while chickens would go up by almost 10 c a kg.

Mr Clark warned that butter and cheese would soar by 15 to 20 percent next month. The price of milled meal would also increase, but most chainstores had bought in

extra supplies so the increase would not be for at least five weeks under normal demand.

The group marketing director of Spar, Mr Robin Burnhill, said he was delighted to hear that the increase was less than 10 percent.

We had a horrific time when the maize price was increased by 20 percent last year.

Consumers quickly build up a resistance to high prices which leads to surpluses and retailers have to sell at artificial prices to

get rid of stock. This plays havoc with the market, he said.

He said he expected cheese prices to rocket by more than 17 percent in the very near future.

Mr Burnhill predicted that peanut butter and cooking oil would be increased by the middle of May, traditionally the month for price increases.

Farmers have been planting more land to maize crops in recent years — and producing record crops.

Shockwaves follow new maize prices

RDM 24/4/81 3 hours

By GERALD REILLY
Pretoria Bureau

THE Government maize price determination announced in Pretoria yesterday has shocked the country's 30 000 producers.

They are to be made to pay for export losses on the record 13.5-million-ton crop with a huge average levy of R17,70 a ton.

This means that although the price has been raised by 9.5%, their net return will be the same as last year — R118.25 a ton.

And economists have warned that any maize price rise will also push up the prices of a wide range of other foodstuffs at a time when the food price index is running 30% higher than a year ago and twice as high as the overall Consumer Price Index.

Foods affected include milk, cheese, mealmeal, pork, beef, lamb, processed meats, poultry, eggs and even dog food.

At a Press conference in Pretoria yesterday the chairman of the Maize Board, Mr

Ben Wilkins, said the consumer price would rise by the 9.5% increase in the board's selling price, plus any adjustments which might be made in millers' prices.

The militant National Maize Producers Organisation, whose price recommendation of R140 a ton was rejected by the Cabinet, view the new price determination as a slap in the face.

Although Mr Wilkins stressed the increase in the selling price was substantially lower than the current 16.2% inflation rate, the higher consumer price will come as an additional hardship to lower income groups.

The Minister of Agriculture, Mr Pietie du Plessis, announced the Government's subsidy on local sales would be raised from R50-million to R72.2-million, the stabilisation subsidy from R10-million to R14.6-million.

Details of the new prices are: selling price raised from R122.65 a ton to R134.15 a ton — a 9.5% increase; net producers' price

R118.25 a ton for white and R115 a ton for yellow maize. The producers' prices remain the same.

Mr Wilkins said 6.1-million tons of the huge crop would be needed for local consumption. With the carry-over the total surplus will be just over 7-million tons.

Nampo's recommendation was that the Government bear the total loss on exports. However, the Government's and the Board's attitude was that in good years when world market prices were favourable — and there have been good years — the farmer benefited from export profits.

But in years when export prices were low the producer had to shoulder losses. The board's recommendation had been R140 a ton, but the Minister made it clear that because of exceptional circumstances the Cabinet could not accept the recommendation.

The huge loss on exports would therefore

be borne mainly by the producer.

The total export loss would not be fully covered by the producer levy plus the Government's R14 600 000 stabilisation subsidy.

The Government had therefore agreed to make a loan of R71-million available to the Board at 4%, repayable over seven years.

Mr Wilkins said the board's stabilisation fund was in the red by R41-million. He conceded producers would be disappointed.

It had been taken into account however that producers' incomes would rise from R1 247-million last season to R1 582-million this season, even although the producers' net price remained the same.

This was an increase of R316-million. Total production costs for the current crop increased by R202-million. This did not take into account inflation and the farmers' salaries.

Mr Wilkins said the new price just had to make someone cross — either the farmer or

the consumer — and it was apparent that the farmer was the one.

Mr Wilkins, the sitting National Party MP for Ventersdorp, denied the Government had been looking for "a political price". In the circumstances it was the best deal that could be worked out for producer and consumer.

Nampo chairman and Maize Board member Mr J van Abo said in an interview the price announcement would come as an "absolute shock" to the producer.

Nampo had recommended a gross price of R140 a ton and a producers' net price of R137 a ton.

Mr Van Abo said the fact that the Maize Board had been stripped of its bargaining powers meant the price announcement was mere formality, allowing no re-negotiation.

Nampo's economist, Dr Kit le Clus, said farmers would be staggered that notwithstanding a production costs increase of 18% they were to get the same price as last year.

Maize up; petrol rise on cards

DD 24/4/51

3-maize

PRETORIA — A 9.5 per cent increase in the maize price was announced here yesterday — and a substantial petrol price hike is expected soon.

Although the maize price rise — effective from today — was well below expectations of about 20 per cent, economists, politicians and food retailers warned that it would still fuel further inflation in the economy now running at the highest level in decades.

The announcement prompted the Leader of the Opposition, Dr F. van Zyl Slabbert, to accede "with delight" to a request from the Prime Minister, Mr P. W. Botha, for an apology if the price did not go up by at least 20 per cent as he had said it would.

It was the sustained attack by the opposition and others which had contained the rise, Dr Slabbert said.

The managing director of a major supermarket chain, Mr Rex Glanville, said he was "very disturbed about the extent of the maize price increase and the effect it will have on basic food prices."

The president of the Afrikaanse Handelsinstituut, Mr Hendrik Sloet, said the increase was counter-productive.

Producers will not gain directly from the higher price.

The Minister of Agriculture, Mr Pietie du Plessis said farmers would be able to get seven-year loans at four per cent in compensation for the higher levies.

The chairman of the Maize Board, Mr Ben Wilkens, said the price rise had been necessitated by this year's big harvest and large surpluses for export, which would increase the Maize Board's handling and storage costs.

The government would subsidise the Maize Board with R86 million to help pay towards costs.

The manager of the Maize Board, Mr H. du P. Nel said: "Taking all things into consideration, including the considerable anticipated loss on the surplus, I think the farmers have received a square deal."

Consumers could be satisfied that the increase was far below the inflation rate of about 16 per cent.

The head of the University of Stellenbosch Bureau for Economic Research, Professor Jan Sadie, did not agree: The maize crop was estimated to be 30 per cent higher than last year, and there was no economic justification for any increase in price.

A substantial petrol price hike, at the latest from the beginning of July, is considered certain.

Motor industry executives differ in their assessment of the extent of the increase. It could be between 2c and 4c a litre. — DDC-SAPA.

(News by G. Kling, 77 Burg Street, Cape Town.)

* Change Mathematics

M,W,F 5
Tu,Th, 5-7 p.m.

M&W 4-6 p.m.
M,W,F, 5 or 2
M,W,F, 2 or 5
M,W,F, 4
M,W,F 3
M,W,F 3

M,W,F, 1

M,W,F, 4-6 p.m.
Tu,Th 3

M - F 1	2
M - F 2	1
M - F 5	1 & 2
M - F 3	1 & 2
M,W,F, 4	2
M,W,F, 4	1

Proposed Change

Time-table Present

Semester

Course

Year 1

ACTUARIAL SCIENCE

Business Finance I	Year 1
Actuarial Science II	Year 1
Business Policy II	Year 1
Business Policy I	Year 1
Actuarial Science I	Year 4
Applied Business Stat	Year 3
NAC(a) or ABS IIA	Year 3
Management Science	Year 3
Principles of Finance	Year 3
Principles of Marketing	Year 3
Mathematics II	Year 3
Applied Business Stat	Year 3
Economics II	Year 3
Compound Interest & Annuities	Year 2
Practice of Life Assurance	Year 2
Introduction to Compou	Year 2
Introduction to Manag	Year 2
Mathematics I	Year 2
Economics Ia	Year 2
Management of Human Resources	Year 2
Environment & Structure of Business	Year 2

Mr. SPEAKER: Order!

③ *Harvey* *Hansard*
Maize: export programme
Q. Col. 358 12/3/82
Dr. W. D. KOTZE asked the Minister of Transport Affairs:†

- (1) Whether the South African Transport Services has in every month since 1 November 1981 transported the maximum quantity of maize according to the normal export programme; if not, (a) why not and (b) how many of the proposed number of truckloads were not railed;
- (2) whether the South African Transport Services foresees a backlog in the transportation of maize in the near future; if so, as a result of what factors?

The MINISTER OF COMMUNITY DEVELOPMENT (for the Minister of Transport Affairs):

- (1) No.
 - (a) Because the Maize Board sold less maize than originally planned.
 - (b) From December 1981 to February 1982, 6 270 fewer truck loads were railed than were scheduled.
- (2) Yes. Due to the inability of the Maize Board to tender maize for transport at the tempo agreed upon.

Farmers' income to go up by R96m

3 maize RDM 27/4/81

By GERALD REILLY
Pretoria Bureau

MAIZE farmers' net income will be greater by R96-million this year although the net price has been frozen by the Government, the Minister of Agriculture, Mr Piet du Plessis, said in a statement in Pretoria last night.

The statement follows the angry reaction from farmers to last week's announcement that there would be no increase in producer prices for this year's record 14-million ton crop.

Farmers were "shocked senseless" by the new price determination, according to the National Maize Producers Organisation.

In last night's statement the Minister said it had been found impossible to raise producer

prices. He said an exceptionally large crop was produced on about the same service as that of the previous year.

More than half of this year's crop would have to be sold on the export market. The Maize Board costs would amount to R41 a ton.

The industry had no control over the sustained increased cost of production.

"It cannot, however, summarily be accepted that at an unchanged price, the maize producers position will be worse than in the previous year."

The increase in the maize crop would be R316-million more in the pockets of the producers. After the production cost increase of R220-million has been deducted the farmers' net income will rise by R96-

million.

The increase in the price of maize means an average increase of about R10 000.

The effect of the maize price increase on the rate of inflation was an important consideration in determining the price.

"The fact that the selling price of the Maize Board had been raised by 9,5% only should have a breaking effect on the inflation rate.

"It is important that the price of a major food product such as maize ... increases this year at much less than the overall inflation rate."

If the local selling price of maize had been increased by the inflation rate of 16,2% the consumer would have had to pay R123-million more while the 9,5% increase would cost

him only an additional R72-million — a favourable difference of R51-million, the Minister said.

"This relatively small increase in the local selling price is made possible by an additional Government subsidy of R14,6-million."

The Government subsidy to the maize industry this year would amount to nearly R87-million compared with the R60-million the previous year — an increase of R27-million.

"The circumstances this year make it impossible for me to increase the net producer price. Similar conditions in 1970 and 1972 also created a position for the price to the producer not be raised."

In fact net producer prices in those years had to be reduced, Mr Du Plessis said.

TABLE 4: MODE OF TRANSPORT

Mode	Groote Schuur	McCords	Day * Hospitals **	Umlazi	Durban G.P.'s	Masana	Holy Cross	Mount Coke	Valley clinics	Valley G.P.'s	
Foot	1	10	77	53	57	24	26	48	12,5	87	37
Bus	} 71	45	} 12	} 30	31	33	31	} 42	-	4	
Train		9			-	9	-		-	4	
Car (paid)	} 26	4	} 9	} 15	11	4	32	} 49	27	9	23
Car (unpaid)		32			-	30	11		14	4	29
Hospital taxi/ Ambulance	2	-	2	1				5		1	
Bicycle, ox-wagon, horse, etc							3			3	
Total no.	436	212	194	292	176	76	109	226	64	23	101

Each mode of travel was counted once when more than one method of transport was used on one journey.

* Elsie's River and Retreat

**Dr. Abduruman, Heideveld and Grassy Park

the farmers had a bumper crop to reap.

And the Cabinet must have known that a reduction in the producer price would precipitate a psychological hiatus in outer herstigeland. Yet without a producer price reduction, the Maize Board will almost certainly make a net loss on the 13 Mt of grain it is going to have to buy. Had Hendrik Schoeman not been so generous to the mealie farmers last year, his successor would almost certainly have been advised to set the producer price lower this time.

The indignation expressed by Nampo leaders after the announcement was only to be expected. Messrs Crawford Von Abo and Fanie Ferreira lost no time in distancing themselves from the first maize price fixing, by which their names might otherwise have been besmirched. The new maize speciality organisation for which they had fought for so long and which received official recognition only six months ago, had declared its hand in advance by asking for an impossible producer price of over R140/t.

A more surprising response was that of the Balanced Feed Manufacturers, whose president, Gerhard Scholtenmeyer, expressed what appeared to be total satisfaction with the price announcement in a press release. To the extent that the lower-than-inflation price rises will favour an expansion of the livestock industry, the manufacturers of animal feedstuffs stand to gain. But, by widening the gap between the price at which farmers sell maize and the price at which they must buy it back for feeding to their animals, the Maize Board is probably going to divert a lot of business away from the millers altogether. Cost conscious farmers who have stock as well as grain, now have a greater incentive to do their own milling and mixing. And big mealie farmers will henceforth find it much more attractive to plough their profits into subsidiary pig and poultry enterprises so that they can effectively market their maize at a higher price.

The Maize Board knows that, of course. And it will no doubt be grateful to all those producers who show a willingness to help it out of its financing, storage and handling problems by keeping their grain on their farms.

But what about the farmers who don't have livestock to feed and the others who have animals to feed but no home grown maize on which to feed them? This year's yawning price gap is going to make it mighty attractive for them to come to (technically illegal) private arrangements and by-pass the official price fixers altogether.

Will the Maize Board turn a blind eye? If it doesn't, it will almost certainly stir up a hornet's nest. Why should specialist intensive stock farmers (many of them smallholders) be forced to compete on unequal terms?

MAIZE AM Political pricing 1/5/81

By raising the consumer price to R134/t while leaving producer prices unchanged (at R118 for white maize and R115 for yellow maize) the government exercised the easiest political option open to it on the eve of the election. Had government elevated the consumer price by one further rand, it would have put the percentage increase into unacceptable double figures.

The punchdrunk housewife can safely be relied upon to stomach a 9.5% blow without squealing. But anything more than 10% might have attracted vote-swaying attention. Generous press reporting had already alerted the cities to the fact that

STAR 1/5/81 (3 maize)

SAR faces maize transport crisis

By Hannes Ferguson
Farming Correspondent

The Government will soon be faced with a 2-million ton maize headache — and there is nothing it can do about it.

This has come about because the South African Railways has the capacity to move only two-thirds of the current maize export surplus.

A Railways spokesman said that of the expected 7,5-million tons of export maize, only 5-million tons could be handled during the 1981/82 maize marketing year.

Even this figure was conditional. It depended on the grain silo staff of local co-operatives working seven days a week and the Maize Board

maintaining a tight ship-loading schedule.

Economists say this situation represents the effect of bad planning by the Treasury. In 1978 projects that had already been included in the SAR budget were cancelled to cut State expenditure.

This lack of foresight was causing a major transport crisis.

It took three years to

order and build maize trucks, lengthen train crossing points and adapt signal systems. This could not be improvised — and South Africa was now stuck with a major bungle.

It was elementary economics for the State to phase capital expenditure into economically slack times.

No railway crisis, says SA maize chief

By Richard Paris,
Transport Reporter
South Africa's export
maize surplus which cannot
be transported in 1981
will be shipped out next
year, the general manager
of the Maize Board said
yesterday.

Mr Hennie Nel denied a
report that lack of capaci-
ty on South African rail-
ways and "a major trans-
port crisis" meant that
only two-thirds of the cur-
rent export crop could be
moved.

The SAR and the Maize
Board agreed in January
and February to transport
between 5 million and
5.5 million tons of export
maize during the 1981-82
season, well above previous

figures. A Railways spokes-
man said this was the
maximum it could cope
with in view of the capaci-
ty of trucks, lines, grain
elevator equipment and
ships available.

NO BIG CRISIS

"A big system like the
SAR normally has a
reserve capacity to absorb
fluctuations of traffic. Due
to the financial recession
of the late 70s, cash provi-
sion for a number of
capital projects was dec-
reased over a few years.
This resulted in a delay
in completion of some of
the big improvement
schemes in the system as
a whole," the spokesman
said.

Bumper maize crop a transport problem

Argus 4/5/81

ATA

Maize

Argus Correspondent

JOHANNESBURG. — South Africa's export maize surplus which cannot be transported this year will be shipped out of the country next year, according to the general manager of the Maize Board.

Mr Hennie Nel denied a report that lack of capacity on South African Railways and 'a major transport crisis' meant that only two-thirds of the export crop could be moved.

The Railways and the Maize Board agreed in January and February to transport 5 to 5½-million tons of export maize during the 1981-82 season — well above previous figures — which a Railways spokesman said was the maximum it could cope with in view of the capacity of trucks, lines, grain elevator equipment and ships available.

RECESSION

The Railways spokesman said: 'A big system like the SAR normally has a reserve capacity to absorb fluctuations of traffic. Due to the financial recession of the late '70s, cash provision for a number of capital projects was decreased over a few years, resulting in a delay in completion of some of the big improvement schemes in the system as a whole.

He denied there was a major transport crisis.

'As funds become available, we are making improvements but it should be pointed out none of them is being done just with maize in mind as there has been no indication of an increase of exports beyond SAR capacity.'

Mr Nel said the Maize Board wished to compliment the Railways for doing a 'marvellous job' in transporting the maize, seven days a week with a shipload of cargo leaving the country daily.

'BETTER ORGANISED'

'Nobody could accuse the Maize Board or the SAR of not doing its homework. We are already moving double the quantity that we could have coped with two years ago because of better organisation,' he said.

The two-million ton export surplus could be moved next year but if this year's crop was below average as the result of a drought or other factors, it would provide much needed food for the nation.

Income boost seen for maize farmers

CT 7/5/81. (3 maize)

Staff Reporter
A RECORD maize harvest promises to boost the incomes of maize farmers this year according to Mr P T C du Plessis, Minister of Agriculture and Fisheries.

Maize farmers would be better-off even though the producer price of maize had remained unchanged. Mr Du Plessis said in a front-page story in "Agricultural News", newsletter of his department.

But he added that the immediate future of the maize industry was "not too rosy".

Local consumption was not growing fast enough and a large share of the harvest had to be exported against a background of low world prices.

Big harvests would create marketing problems and it would not therefore be advisable to over-stimulate production at present.

This year's expected 13.4 million-ton harvest would exceed the previous record of 11.1 million tons in 1974 by 21 percent and last year's 10.7 million-ton harvest by 25 percent. Mr Du Plessis said.

Last week the Minister of Ag-

riculture announced that the producer price for the 1981-1982 season had been fixed at R118.25 a ton for white maize and R115 a ton for yellow maize — the same as last year.

The Maize Board's selling price for white and yellow maize was increased by 9.5 percent to R134 a ton.

The May issue of Agricultural News reported the minister as saying that this year's harvest would give producers R1 562 million as against the R1 247 million they received last year — an additional R315 million.

After taking off increased production costs of R220 million the net income of maize farmers would still be R95 million more than last year.

For a producer with 500ha under maize, this meant an average increase of about R10 000.

The fact that the Maize Board's selling price on the local market had increased by only 9.5 percent compared with an inflation rate of 16.2 percent a year, should have a "braking influence" on the rate of inflation.

Only a drought will get State out of maze

In the South African maize casino the powers - that - be are gambling on a drought.

Maize production is growing like a beanstalk.

Last year it was around 10-million tons. This season's first crop forecast in February was 11.5-million tons. A month ago price calculations were based on an estimate of 10-million tons. Now a spokesman for the Department of Agriculture said that the final figure might even top 14.7-million tons.

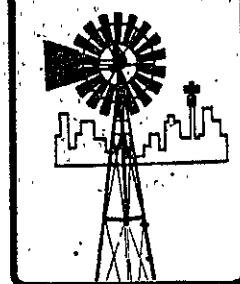
All the time the local market can absorb only about 6-million tons leaving a surplus of 8.7-million tons of which the South African Railways cannot move more than 5.3-million tons to the coast for export.

Any buyers' for 3.4-million tons of maize, stacked in the open or under tarpaulins next to overflowing silos? If you're interested, you must buy them where they are — sorry, no trucks, no tracks, no signals...

The new maize price was a bitter disappointment to farmers. Costs have increased so much that just to be in the same position as last season, farmers must get 14 percent more a ton, fully taking into account that the present crop is much bigger than last year's. But they didn't get one cent a ton more than last time.

Farmers said openly that the Government wanted thereby to discourage maize growing because the

Hannes Ferguson Farming



Stability was understood to be price stability, not income stability. Succeeding Ministers of Agriculture have always baulked at the idea of raising the price of farm products in a bad season.

Income stability would have meant that South Africa as a whole would carry the risks inherent in the South African climate, not only the farmer. The agricultural unions have favoured it, but it remained a dream.

Now it has been resurrected by the Minister himself. If next season should be a bad one he will have to increase the producer price, even if the consumer price should remain the same.

This social security approach will make maize growing popular. Over the long run, maize production will boom.

At Putfontein the other day the Minister spoke of further increasing maize production by a breakthrough in plant breeding methods.

At the opening of the

SAR could not provide adequate transport to the export market.

The prospect of maize farming becoming a full-scale export industry like wool was frightening them, they suspected.

Therefore, the critics asserted, the State wanted to turn back the clock to the years when the maize industry was mainly producing for the home market — exports were either a modest windfall or a modest embarrassment.

But how does a maize farmer react to a bad price?

He has his fixed costs.

He has a fixed annual instalment to pay to the Land Bank.

He buys his tractor for some R10 000 to R20 000 nowadays — on a five-year hire-purchase.

He buys his implements, his fertiliser, fuel, chemicals, even his labour on credit from the co-op or the Department of Agriculture. The worse his price, the less can he afford to pay cash.

Now he must face his commitments. Mr Pietie du Plessis does not give him the rise that even the maltreated civil servants get. So what does the farmer do? He must now increase production, step up planting, plough his flower garden if need be and put in maize right to his back door. Or else he will sink.

A low price does not in the short run discourage production — it works the other way round.

This applies to the long run as well. In the long run also the new price policy may well be counter-productive.

Mr du Plessis justified his maize price by saying that with a bigger crop, although at a higher cost, the farmer's net income would remain the same. The farmer had no reason to complain.

Apart from being incorrect in his figures, the Minister has now created an all-important precedent.

When the Marketing Act first came into force more than 40 years ago stability for the farmer was its main object.

Godwood Show the Prime Minister referred to the need for growing more and more food to bolster South Africa's strategic position.

Agricultural research is being accelerated in all directions.

Co-ops are lending the farmers millions to lime their soils so that they can produce more maize.

Since the co-ops took over most of the farm counselling services, new farm technology is being applied much better than before.

Short of a major drought, nothing can stop maize crops from growing and growing. In 1981 14.7-million tons. For AD 2000 the crop projection is 23-million tons. Dismal prices may throttle the process, but only at the price of bankrupting 30 000 maize farmers.

What will happen to the crop?

Mr H du P Nel, general manager of the Maize Board, said that the railways would carry during next season the 3.4-million tons that could not be moved this year.

Should there be a drought, this could well happen but farmers deeply resent such a gamble.

And what if next year's rainfall is more or less normal, and there are again some 8 or 9-million tons of surplus maize for export, of which the SAR can again carry only some 5-million tons? There will be 7 or 8-million tons altogether, stranded along the railway line.

The SAR said it was caught unawares by the huge current crop. Production trends calculated by the Department of Agriculture, which could have been a timely warning, had never reached the railways planning staff.

There was no single bottleneck, SAR spokesmen said, but the whole railway system had a backlog in development because many capital projects needed to provide the infrastructure for the 1980 had been cancelled in 1977 and 1978 by the Minister of Finance.

Maize
price
rise
blasted

12/27
3 (A/N)
2/2/81

Mercury Reporter

ULUNDI—Blacks should be represented on the South African Maize Board, a member of the KwaZulu Legislative Assembly said yesterday.

Supporting a motion condemning the Government for the high price of maize and maize products, Mr Steven Sithobe, the member for Enochambithi, said the Maize Board should be disbanded and reconstituted so that it reflected the role of the black consumer as well as that of the white farmer.

Mr Sithobe said that black maize consumers might be forced, as a last resort, to go on a 'hunger strike' to bring the white farmers to their senses.

'These people must understand that we can go so far and no further,' he said.

Maize
price
rise
blasted

~~1/2~~
3 (Maize)
N.M.
2/6/81

Mercury Reporter

ULUNDI—Blacks should be represented on the South African Maize Board, a member of the KwaZulu Legislative Assembly said yesterday.

Supporting a motion condemning the Government for the high price of maize and maize products, Mr. Steven Sithebe, the member for Emnambithi, said the Maize Board should be disbanded and reconstituted so that it reflected the role of the black consumer as well as that of the white farmer.

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'These people must understand that we can go so far and no further,' he said.

13 13 13

Maize men's Broeder fears

6/1/51 3 (maize)
room

By GERALD REILLY
Pretoria Bureau

CONTROL of the Maize Board and South Africa's R1 500-million maize industry will be decided next week.

Most of the country's 21 other commodity control boards have been reconstituted and will start functioning next month.

The new 13-member Maize Board, to be announced by the Minister of Agriculture next week, could mark the end of a fierce five-year struggle by the National Maize Producers' Organisation (Nampo) and its predecessor, the South African Mealie Producers' Institute, for control of the board.

Nampo claims that previous boards neglected producers' interests and were "Broederbond and politically orientated". Their members were nominated by the South African Mealie Specialist Organisation — a body ousted by Nampo in farmer elections last year.

Nampo sources claim a major objective of their campaign to elect all eight producer members of the board is to

end Broederbond domination of it. The other five members represent consumers, millers and exporters. All the board's 13 members are appointed by the Minister.

At Nampo's founding conference last year, it was resolved that active politicians should be disqualified from becoming board members.

Nampo, the only official producers' organisation, was given an assurance earlier this year that the eight producer members would be chosen from its 16 nominees.

However, Nampo sources fear the Minister, who need not accept the nominations, may ignore this undertaking and the principle that no-one active in politics should be appointed.

The sources say Mr Ben Wilkens, a Nationalist MP and a Broeder, will again be appointed to the board and retain his chairmanship despite the "no politicians" provision.

Nampo's nominee for the chairmanship of the board is Mr C J van Abo, a member of the present board.

Maize Broeders 'given the boot'

*2/maize
1961/62*

By GERALD REILLY
Pretoria Bureau

THE National Maize Producers' Organisation has swept the Maize Board clean of members who, it claims, represented the narrow sectional interests of the Broederbond and not those of the maize producer.

The new board, which starts functioning from July 1, will be announced by the Minister of Agriculture in the next few days. It is understood all eight Nampo nominees have been appointed to represent producers on the board.

Squeezed out, too, was the

former chairman of the board and its leading Broeder, Mr Ben Wilkens, MP for Ventersdorp, it says.

Nampo has claimed four of the eight previous producer members on the 13-man board had been there primarily to extend the influence and control of the Broederbond over the country's agricultural industry.

The new producer members are: Mr Crawford Vonabo, Mr J H Viljoen, Mr C J Leonard, Mr S J Schoeman, Mr Andries Beyers, Mr A P Visser, Mr H L Delpont and Dr B Stead.

Four of the five remaining members on the new board are: Mr Boris Kaplan, Mr Isaak Rutowitz, Mr Gerard Scholtemeyer and Dr Fanie Smit.

Agricultural authorities said yesterday the appointment of Nampo's eight producer members to the board was the breakthrough the organisation had been working at since its inception last year, and since its bitter struggle had started with the now-defunct South African Maize Specialist Organisation for control of the R1 500-million industry.

Nampo's spokesman said

yesterday consumers need not fear their interests would now be swamped because Nampo was dominating the board.

"Although we are there primarily to advance the interests of the producer, we are aware of the vital importance of the end consumer and we give an assurance that his interests will not be neglected."

Nampo's major aim, according to the spokesman, is to reform the Maize Board from a purely administrative body into a "vital" marketing organisation.

This would ensure that "the unacceptable maize surplus position" could be dealt with profitably to the benefit of the maize producer and the country's balance of payments.

Nampo reacted bitterly earlier this year when the maize price was increased and the benefit to the farmer was countered by raising his production levy to a record level to help pay for the losses on exports.

This year's exports from a record crop of more than 14-million tons amounts to more than 6-million tons.

APPENDIX I

Methods of economic analysis generate questions which may at present be unanswered; the techniques may be inapplicable due to lack of data. Thus the approach of health economics which stimulates the collection of information in the form required for policy making, and which seeks to define the real nature of health problems, may be a more valuable contribution than specific techniques, at this stage in the history of the health systems of Southern Africa.

Differen
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1. Simple

A medical officer, when he has become accustomed to doing this work and has developed the power of concentration, is able to examine about sixty natives per hour, but requires a break of about half an hour after two hours' work. To many it may appear impossible to examine such a number with any degree of accuracy, but it must be realised that all that is demanded of the medical officer is the detection of an abnormality and not a diagnosis of the condition. After doing this work for several years the WMLA medical officers have naturally become proficient in the use of the stethoscope.

Occasionally defects are missed at this examination, but this is more likely to occur at the close of a heavy day.

It is on account of this possibility that a second examination is carried out by each mine medical officer, where the natives arrive on the mines in smaller numbers. (204) ...

All tuberculous cases, incipient or otherwise, are repatriated to their homes and warned not to return for mining employment.

Silicotic or tuberculo-silicotic cases are transferred to the miners' phthisis wards for examination by the Miners' Phthisis Medical Bureau, a body of medical men appointed by the Government to examine mine natives with pulmonary tuberculosis or silicosis with a view to determining the degree for compensation in terms of the Miners' Phthisis Act. Such natives are repatriated when fit to travel to their homes.

Girdwood himself realised the limitations of a stethoscope examination, but only in so far as it could be compared with radiography which enabled the identification of silicosis in its ante-primary and primary stages and tuberculosis in its simple

not yet understand was that a worth at all. Any successful radiography and a past occupational hypotheses that more cases of culosis, remained undiagnosed figures conceded. Also the po culotics after a period of con enough to travel, concealed a official figures. Finally, th carried out on deceased Black miners. One can remember the number of Africans died on the mines who did, in fact, have silicosis, but which remained undiagnosed.

In contrast, the initial examinations of the New Rand Miners and Eurafriicans (Asians and Coloureds) included a physical examination, and examination of the physique of the aspirant miner, radiography and a discussion of past occupational history. All aspects were recorded and filed. Periodic examinations, of the same kind, and at yearly intervals, enabled strict control of the health of the miners. The same examination procedures

were applied to Old Rand Miners appearing for the first time at benefits examinations to determine whether cases were compensatable. (207) These contrasting systems were still in force by 1943 and, as Francis Wilson has shown, the 1943 Miners' Phthisis Acts Commission reported 'a disquieting

of affairs in regard to the compensation, the medical examination contracted compensatable

Producers Star 19/6/81 want higher maize price

Own Correspondent

MARITZBURG — A higher maize price is being requested by the National Maize Producers' Organisation, which believes that a low "political" price was fixed this year just before the election.

The organisation rejects the calculations used by the Minister of Agriculture, Mr du Plessis, in refusing to increase the producer price this year. Mr du Plessis said the record crop of 13 417 000 tons would increase maize farmers' income by R114-million over last year's.

But the organisation says that on the Department of Agriculture's own

figures, the maize farmers' income will not increase by R114-million but will in fact drop by R65-million.

The reason is that production costs have soared by R381-million and not the R202-million claimed by Mr du Plessis.

INCREASED

The selling price of maize increased 9,5 percent to R134,25 a ton on April 27. The producers' price remained at R118,25 a ton for white maize and R115 a ton for yellow, which meant that farmers did not receive any more for their crop.

"Against the production of 13 417 000 tons the Minister should therefore increase the net producer

price by R13,34 a ton to achieve his parity income target," the organisation says.

Asked if the organisation would press for a special increase now, spokesman Mr Dirk Rezelman, said: "No, we are not satisfied with the price, but we must live with it until next year."

RATIONAL

The organisation's economist, Dr Kit le Clus, says a rational free market price for maize in South Africa would be about R160 a ton as against the predetermined consumer price of R134 and a producer price of R118 per ton.

To import the maize would cost the consumer R196 a ton.

Dr le Clus said while maize farmers' own costs had risen 18 percent, the 9,5 percent increase in the consumer price was blamed for the rise in dairy and egg prices.

"Our increase should only raise the egg price by 2,5 percent, while the dairy industry's problems arise from the change in the milk and meat price ratio and the resultant switch from meat to milk, natural production fluctuations and other reasons," he said.

Produce less, Nampo tells maize farmers

RDM 2/7/81
3 Marks

BOTHAVILLE. — South African maize farmers should limit production to reduce export losses in coming seasons, National Association of Maize Producers' Organisation's (Nampo) general manager Dr Pieter Gouws said.

The South African maize industry faced losses of over R300-million this year despite expectations of a record crop, Dr Gouws said in a statement.

Total government subsidies to producers and consumers total about R90-million, leaving

maize farmers to bear the remaining losses, he added.

Dr Gouws said South Africa would export about five million tons of maize this year and domestic consumption would total around six million tons, leaving a carryover into next season of at least 1 500 000 tons and possibly as much as 2 000 000 tons.

The latest official estimate of this season's crop, projects record output of 14 210 000 tons, sharply up from 10 730 000 last season.

The situation would worsen

and farmers would have to meet greater losses, if South Africa realised average or above average maize crops in coming seasons, he said.

Dr Gouws said South African maize producers should consider viable alternatives to planting maize in coming seasons.

With maize overproduction now a problem, wheat and sunflowerseeds were possible alternatives, he said.

South Africa is currently importing wheat for the first time in 10 years.

PIRIU

For the second best student in the subject of Building Construction.

C W von Düring

For the best student in the subject of Building Construction.

S A Brick Association Prizes

III: No award

II: A R Low Ken

I: N D G Sessions

For the best student in each of the courses of Building Economics I, II and III in the third, fourth & fifth years respectively.

LTA Prizes

P R Swift

Professional Practice.

For the student obtaining the highest marks in

Surveyors' Prize

Cape Chapter of Quantity

The Committee of the Western

P C Key

For the best all-round student in any year of study.

Bell-John Prize

(Continued)

SURVEYING

QUANTITY

8/22/74
Farmers
 harbouring
 a grudge...

Farming Correspondent

Better maize export prices depended on better South African harbour facilities, the chairman of the Maize Board said yesterday on his return from Taiwan.

Mr Crawford von Abo said Taiwan was potentially South Africa's best export customer. But the harbour facilities allocated to the maize industry by the South African Railways Administration were inadequate.

Most of the maize exports were being directed through East London, which could not accommodate the large grain tankers for which the off-loading facilities at Taiwan were designed.

Mr von Abo said that to build up its maize export trade South Africa had to compete on the world grain market.

To do so, the maize industry urgently needed the port of Richards Bay. The Maize Board would immediately approach the Minister of Transport, Mr Schoeman, to arrange proper harbour facilities.

Farmers felt coal exports were receiving priority. This was bad policy as farmers did not receive any of the export benefits the Government had given industry and mining.

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 For the best student in each of

LTA Prizes

P R Swift

Professional Practice.
 the highest marks in
 For the student obtaining

Surveyors' Prize

Cape Chapter of Quantity

The Committee of the Western

P C Key

in any year of study.
 For the best all-round student
 Bell-John Prize

PLANNING
REGIONAL
URBAN &

(Continued)
SURVEYING
QUANTITY

QUANTITY
SURVEYING

(Continued)

Bell-John Prize

For the best all-round student
in any year of study.

P C Key

Maize record will cost board R300m

ROM 23/7/81

Maize



THIS year's giant mealie crop, with its record export surplus, will involve the Maize Board in unprecedented losses of nearly R300-million.

It will take a ship a day carrying 14 000 tons, each cargo valued at about R2-million, to move the huge surplus to foreign markets — mainly Japan and Taiwan

To finance the agricultural co-operatives responsible for paying farmers for their crops, the Land Bank has had to borrow a record R700-million from commercial banks.

Agriculture authorities in Pretoria say that although the surplus from the record crop is more than 7-million tons, it will only be possible, because of transport limitations, to export 5.39-million tons during the current season which ends next May.

Record levies

This means a record carryover into the 1982-83 season will amount to a 3.18-million tons compared with the normal 900 000 tons. The Maize Board expects no problems in storing the large carryover.

Based on an average export price of R125/ton for the season, the board's estimated export losses will amount to about R275-million. However, when the carry-over deficit from the previous season is taken into account the total shortfall will be R341-million.

Pretoria Bureau

Farmers, however, are paying record levies of R15.42/ton on white maize and R18.25/ton on yellow maize to replenish the stabilisation fund — now R41-million in the red.

To help cushion the loss, farmers will pay about R214-million into the fund and the Treasury has loaned the board R71-million and paid another R14-million in subsidies.

The board estimates it will end the season with a deficit of about R114-million.

Meanwhile, Land Bank managing director Mr T C de K Pienaar said arrangements were made two months ago to borrow between R600- and R700-million to loan to the co-ops to pay farmers for their crops.

The borrowing rate, Mr Pienaar said, was 11.5%. The co-ops paid the bank 12%. The 0.5% profit covered administrative and other costs associated with financing the co-ops.

He stressed that an agreement between the Reserve Bank and the commercial banks meant the 2% rise in the bank rate this week would not influence the arranged 11.5%.

subject of

K Strong

Student Planners Award

For the student who has shown
greatest promise at the end
of the first year.

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R300m lost

ON maize exports

NM 29/81
3 Maize

Mercury Correspondent

PRETORIA—This year's giant maize crop, with its record export surplus, will involve the Maize Board in record losses of nearly R300 million.

It would take a ship a day, for the rest of the season until May next year, carrying 14 000 tons of cargo valued at about R2 000 000 to move the huge surplus to export markets — mainly Japan and Taiwan.

And to finance the agricultural co-operatives which are responsible for paying farmers for their crops, the Land Bank has to borrow a record R700-million from commercial banks.

According to agricultural authorities here, although the surplus from the record crop is an unprecedented more than 7 000 000 tons it would be possible, because of transport limitations, to export only 5 390 000 tons during the current season.

This means that a record carry-over into the 1982-83 season will amount to a

huge 3 180 000 tons, compared with the normal carry-over of about 900 000 tons.

The Maize Board expects no problem storing the large carry-over.

Based on an average export price of R125 a ton for the season, the board's export losses would amount to about R275 million, it is estimated.

But when the carry-over deficit from the previous season is taken into account, the total shortfall will be R341 million.

Cushion

However, farmers are paying record levels of R15,42 a ton on white maize and R18,25 a ton on yellow maize to replenish the stabilisation fund which is now R41 million in the red.

To help cushion the loss, therefore, farmers will pay

about R214 million into the fund.

The Treasury has loaned the board R71 million and paid another R14 million in subsidies.

At the end of it all, the board estimates it will end the season with a deficit of about R114 million.

Meanwhile, the managing director of the Land Bank, Mr T C de K Plenaar, said arrangements had been made two months ago to borrow between R600 million and R700 million to lend to the co-operatives to pay farmers for their crops.

The borrowing rate, Mr Plenaar said, was 11,5 per cent.

The co-operatives paid the bank 12 per cent. The 0,5 per cent profit compensated for administrative and other costs associated with financing the co-operatives.

Appendix A

Official list of recognized industrial diseases

Description of disease	Description of Occupation
Ankylostomiasis (Hookworm) in workmen. Other than Asiatics or Natives.	Mining carried on Underground
Anthrax	The handling of wool, hair, bristles, hides and skins. Work in connection with animals infested with anthrax. Loading, unloading or transport of goods.
Arsenical poisoning.	Any work involving the use of handling or use of Chromic and chrome salts or other materials containing chromic acids or chrome salts as a constituent.
Cyanide	
Demolition liquid external process men's o	
Lead poisoning	
Halogen derivatives of Hydrocarbons poisoning by the	any work involving the manufacture or use of or contact with the halogen derivatives of hydrocarbons.
Manganese poisoning	Any work involving the use or handling of, or exposure to fumes, dust or vapour of manganese or a compound of or substance containing manganese
Mercury poisoning or its sequelae	Any work involving the use of mercury or its preparations or compounds.

Continued/.....

Appendix A Continued.

Description of Disease	Description of Occupation
Pathological manifestations due to radium and other radioactive substance or X-rays.	Any work involving the use of radium or other radioactive substances or X-rays.
Phosphorus poisoning	Any work involving the use of phosphorus or its compounds

GENERAL NEWS

Protection policies pushing up food price

Sta. 29/7/8
(Maize)

By Hannes Ferguson, Farming Correspondent
 Maize farmers have blamed Government policy of protecting local industries for rocketing food prices.

The National Maize Producers Organisation (Nampo) has called farmers to a mass meeting in Bothaville in the Northern Free State on Friday.

Primary epithelium of the skin.	
Silicosis, a fibrosis by mineral	

Nampo is protesting against:

- The "ruthless" diesel fuel price hikes which have added to costs.
- Government policy of protecting the manufacturers of the Atlantis tractor engine, which farmers say has put prices up.
- Government protection of manufacturers of fertiliser and farm chemical which is said to lead to higher prices.

A Nampo spokesman said the Government should support local manufacturers of farm requirements who could not hold their own against foreign competition. But he said, this support should not be at the expense of the maize producer and consumer.

The Atlantis Diesel Engine project meant the maize farmer would have to pay 40 percent more for his tractors.

It was laudable to provide job opportunities for coloured people in the Western Cape through this project, "but why should the maize farmer have to pay for it?"

Nampo has advised farmers to "look intelligently" at alternatives to maize.

Maize farmers have also been warned that if they switched to sorghum or sunflower seed, gluts would follow in those crops.

of lead or its preparations or compounds.

Council acts on threat to EL maize exports

Swaze
DD 4/8/81
[Handwritten scribbles]

EAST LONDON — Strong fears that maize exports, one of the city's largest industries, will be lost to East London have drawn a rapid city council response.

During the weekend the South African Broadcasting Corporation reported that maize exports may be consolidated at Richards Bay.

The chairman of the Maize Board, Mr Crafford von Abo, yesterday denied that there were any moves to down-grade East London as a maize port.

However, an emergency meeting of the East London Development Committee (ELDC) was convened yesterday morning to discuss the reported moves to expand Richards Bay as a maize exporting harbour.

Last night the Mayor, Mr Donald Card, issued a terse statement simply saying: "We are taking action."

The council was informed of the action proposed by the ELDC at last night's action committee meeting.

In a telephone interview from Pretoria, Mr



MR CARD . . . serious matter.

Von Abo said: "Nothing would be taken away from East London.

"East London is the major maize handling harbour and we are not about to destroy that," he said.

Mr Von Abo announced that the Maize Board was concerned about facilities for maize exports following the country's huge seven million ton surplus of maize destined for export.

"We want better facilities for maize exporting and we want to know how the government can help us," he said.

On Thursday Mr Von Abo with the vice-chairman of the Maize Board, Mr "Boetie" Viljoen, and the general manager Mr H. du P. Nel, will meet the Minister of Transport Affairs, Mr Hendrik Schoeman.

"All we want to do is to ask the Minister to make provision for improved maize export handling facilities.

"Whether these improved facilities are in East London or at Richards Bay is something for the Minister to decide."

Mr Von Abo said the improved facilities would have to cater for ships of between 60 000 and 100 000 tons.

Last night Mr Card refused to comment in detail on action proposed by the ELDC and said that the matter was being regarded in a very serious manner and that action was being taken to ensure the city retained its status as a maize handling harbour. — DDR.

DON'T fret

Minister assures EL it will stay major maize port

DDK/8/81
3 May

CAPE TOWN — The Minister of Transport, Mr Hendrik Schoeman, says there is no possibility of East London being phased out as South Africa's major maize export harbour.

Mr Schoeman gave this assurance to the MP for East London City, Mr Peel de Pontes.

Mr De Pontes had raised the issue with Mr Schoeman after reports that the Maize Board wanted Richards Bay to be used for maize exports.

"I raised it with the minister and there is no possibility whatsoever of the exports through East London being decreased," Mr De Pontes said yesterday.

Mr Schoeman is meeting members of the Maize Board tomorrow to discuss the export of this year's expected surplus of maize and he will issue a statement afterwards.

"This meeting will not affect East London as a major export port," Mr De Pontes said.

He said he had also discussed the possibility of East London harbour being extended and deepened.

He had asked for memorandums from interested parties on the subject and the issue would be discussed again when the Minister of Internal Affairs, Mr Chris Heunis, visited East London at the end of the week.

Mr De Pontes said: "Over-hasty and immediate alarmist reaction to any report such as this achieves nothing and undermines confidence in the future of East London."

FROM BARRY STREEK

The infrastructure and facilities at East London harbour are irreplaceable and East London will remain the major export harbour.

The Maize Board was apparently referring to the export of the surplus that is expected this year and possibly also to increased production.

"In this sense, Richards Bay was mentioned as a possibility and the chances would appear to lie between East London and Richards Bay only in relation to increased exports," Mr De Pontes said.

"At present only East London has the facilities which are the most modern in the world. "These facilities are irreplaceable and East London will remain the major export harbour. "It is economically not possible to duplicate this at any other harbour in South Africa. "Indeed, it would be far easier to extend the facilities at East London than to build a new facility at another harbour. "The problem at East London harbour is that it can take only ships of a certain draft and this limits the size of ships it can handle. "To allow bigger ships would mean deepening the harbour. "The Department of Transport has investigated this aspect and I have had discussions with senior officials on this. I also made representations to the minister, a few weeks after the election. Mr De Pontes also said he had invited Mr Schoeman to visit East London to discuss the harbour. Reaction, harbour problems, page 9.

DD 5/8/81
3 May 1981

MPs anxious over future of EL harbour

CAPE TOWN — Three Eastern Cape MPs expressed concern yesterday that East London harbour would be phased out as South Africa's major export port for maize.

They were reacting to reports that the Maize Board wants maize to be exported through Richards Bay.

The MP for King William's Town, Mr Pat Rogers, said: "However high the cost may seem at present, the cost of losing these facilities to Richards Bay or elsewhere will in the long term be catastrophic."

The MP for Albany, Mr Errol Moorcroft, said: "Those concerned with the future of East London will be watching these developments with major concern."

Any attempt to divert maize exports away from the city will have to be resisted with vigour."

And the MP for Port Elizabeth Central and former MP for East London North, Mr John Malcomess, said: "So much has been taken from East London in the past few years that one has to take seriously the latest maize export scare."

"The city must press for any extension to maize export facilities to be built at East London."

"This will be an opportunity for the government to demonstrate its desire

to assist the unemployed in the East London area and to show that it will do more for East London than making encouraging speeches.

"We want deeds, not words."

"East London's MPs must be asked to lobby on behalf of the port and let us hope they don't give in as easily as they did on the recent wool sales," Mr Malcomess said.

Mr Rogers said it was inconceivable that any improved maize export handling facilities should be considered anywhere other than at East London.

"If East London's harbour is in fact unable to handle shipping of the size necessary to accommodate progress, what hope has it of playing its part in the massive development required to meet the challenges of the future in this heavily populated and depressed part of South Africa?"

"The syndrome of overlooking East London in favour of other ports or centres has to be broken once and for all."

"I cannot believe that the authorities who planned the maize handling facilities at East London could have been so short-sighted as not to have considered future developments in volume and shipping methods," Mr Rogers said. — PC.

5/8/81

3 Maize

S.A. Railways and Harbours Administration: maize production
 17. Mr. P. A. MYBURGH asked the Minister of Transport Affairs:

What percentage of the 1981 maize crop destined for export will the S.A. Railways and Harbours Administration be able to handle (a) with and (b) without overtime being worked?

The MINISTER OF TRANSPORT AFFAIRS:

(a) and (b) The South African Railways Administration in collaboration with the Maize Board aims at exporting 5,3 million tons of maize/grain sorghum per annum (approximately 70 per cent) out of an estimated exportable total of 7,7 million tons originally envisaged by the Maize Board. This is the greatest tonnage ever; the previous record was 4 million ton. To achieve this rate additional trains have to be scheduled.

Since the maximum rate of 5,3 million tons is dictated by the infrastructure (trucks, line capacity, train staff, etc.) on the railway portion of the export transport chain, optimum overtime working at harbours cannot contribute to any significant manner to improve on the figure of 5,3 million tons.

S.A. Railways and Harbours Administration: maize production
 18. Mr. P. A. MYBURGH asked the Minister of Transport Affairs:

Whether any steps are being taken by the S.A. Railways and Harbours Administration to augment its (a) storage and (b) transport facilities in order to handle the increase in maize production; if so, what steps?

(MAY 1981)

15 WEDNESDAY

The MINISTER OF TRANSPORT AFFAIRS:

- (a) No: not at this stage as agreed in consultation with the Maize Board.
- (b) Yes; the line to East London is presently being electrified and the line capacity is being improved. Work should be completed during the middle of 1985 and 1986, respectively.

Present value of the future R - 10%

- (a) On the assumption that R10 000 will be spent on advertising to move the extra production given can all be sold without further expenditure, by the Receiver of Revenue. The Sales Manager Depreciation was calculated by straight-line method which machine is employed, as you may assume tax is 40% and its pay (b) You are required to state the recommended (c) Estimate the incremental return from

Additional data is as follows:

Machine	Book Value	Re-sale value now	Purchase price	Fixed costs p.a. (including depreciation)	Variable running costs per unit (including labour)	Units produced per hour
Present	R40 000	R85 000	-	R12 000	R1,50	4
A	-	-	R100 000	R27 000	R0,75	4
B	-	-	R110 000	R33 000	R1,25	6

A company has the choice of continuing making a product on its existing machine or obtaining one of two alternative second hand machines in lieu. Statistics relating to the machines are as follows:

Rail projects

to boost maize

3 May

DD6/8/81

From BARRY STREK

THE ASSEMBLY —
The Minister of Transport Affairs gave a further indication yesterday that East London will remain a major maize exporting harbour.

Mr Hendrik Schoeman told Parliament that the electrification of the railway line to East London and the increase

ing of capacity would augment transport facilities for maize.

Mr Schoeman said these projects would be completed "during the middle of 1985 and 1986."

Mr Schoeman also said only 70 per cent of South Africa's exportable maize crop this year could be handled by the railways.

He said 5.3 million tons of maize would be exported "out of an es-

timated exportable total of 7.7 million tons originally envisaged by the Maize Board."

He was replying to a question tabled by Mr Philip Myburgh (PFP, Wynberg).

The minister will meet

representatives of the Maize Board today to discuss the exports.

The Maize Board will ask Mr Schoeman to increase maize exports and has suggested that Richards Bay could be used as an export harbour

as well as East London.

The MP for East London City, Mr Peet de Pontes, said this week that Mr Schoeman had told him there was no possibility of maize exports being shifted from East London.

In his reply, Mr Schoeman said the maximum rate of 5.3 million tons was dictated by the infrastructure, such as trucks, line capacity, and train staff, on the railway portion of the export tran-

sport chain.

"Optimum overtime working at harbours cannot contribute in any significant manner to improve on the figure of 5.3 million tons."

To achieve the rate of 5.3 million tons additional trains would have to be scheduled.

The railways did not intend to increase its storage facilities for maize "as agreed in consultation with the Maize Board."

BREAD PRICE ³ maize
Let them eat maize

FM 7th Aug 1981

The sharply increased price of bread may be partly a manifestation of that familiar South African phenomenon, farmer power — in this case that of the maize farmers.

They have been concerned for years at the static, and now falling, domestic consumption of maize, and by the fact that bread has increasingly replaced it as a convenience food among blacks, particularly urban blacks.

Despite a sharply increased population, domestic consumption of white maize was lower during 1979/1980 (3 135 000 t) than it was during 1975/1976 (3 162 000 t). It then dropped sharply during 1980/1981 — by about 10%.

However, the National Maize Producers' Organisation (Nampo) denies having asked government to reduce the subsidy on bread. Nampo spokesman Dirk Rezel-

man says the organisation is not in the business of attacking other agricultural sectors, in this case wheat farmers.

But although Nampo had not made any formal submissions on the issue, he agreed it had "for years pointed out to government the disparity between wheat subsidies (including that on bread) and subsidies on maize."

Rezelman says that although the maize

sector is about four times the size of the wheat sector it receives total subsidies of about R90m a year compared to total wheat subsidies of R170m a year.

"We would not like to hurt any agricultural sector but we certainly welcome anything which could increase domestic consumption of maize," he says.

Representatives of the large milling companies agree that the maize position played a part in government thinking on bread subsidies, particularly in view of the huge maize surplus that will have to be exported at a loss.

Farmers view the surplus with concern, both because it cuts the price per ton received for the maize and because they usually have to subsidise export losses through a levy that finances the maize stabilisation fund.

From their point of view, the more maize that can be sold domestically the better. And they have the political muscle to make government sensitive to their views.

Whether a higher bread price will turn more blacks back to maize remains to be seen.

1415 S

Plan to boost grain silos

EAST LONDON — Considerable improvements to the East London harbour's grain silos would be made to speed up grain exports in the short term, the Maize Board reported yesterday.

There would also be an in-depth investigation into further extensions at East London harbour as well as "the erection of an economically justifiable export grain silo at Richards Bay."

The statement was released following a meeting between a Maize Board delegation led by the chairman, Mr C. L. von Abo, the Minister of Transport, Mr. Hendrik Schoeman, and the general manager of the railways, Dr J. Loubser, on Thursday.

The statement said the discussions "may be regarded as extremely successful."

The talks were called by the Maize Board to seek ways of improving harbour facilities to step up maize export capacities.

The statement said: "The Minister and his department indicated that as far as the short term is concerned, improvements were going to be made to the grain silo at East London at a considerable cost to make it possible to handle and ship larger quantities of maize and also that in-depth attention was going to be paid to and investigations made into further extensions at East London as well as the erection of an economically justifiable export grain silo complex at Richards Bay."

After it had been announced that the Maize Board would meet Mr Schoeman to discuss improved harbour handling facilities for grain at either East London or Richards Bay, there were fears that East London, the country's major maize harbour, would be bypassed.

ts

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R4,600
900
5,000

R10 The announcement provoked quick reaction from the city council and local organised commerce and industry who said they had "taken action" to prevent East London's harbour, already under-utilised, from being bypassed.

Reacting to yesterday's statement by the Maize Board, the MP for East London City, Mr Peet de Pontes, said it was a "positive statement".

"It is now an obvious fact that there is absolutely no chance that East London will lose anything," Mr De Pontes said.

He said he had not had the opportunity to study the matter further and said he would issue a full statement once he had "more information".

Prior to Thursday's meeting with Mr Schoeman, Mr Von Abo said the Maize Board wanted facilities to cater for ships of between 60 000 and 100 000 tons.

The East London harbour at present can only accommodate ships of up to 40 000 tons.

Richards Bay is a deep water harbour that can cater for ships of up to 100 000 tons, but is surrounded by sandy soil which would make the erection of grain silos expensive.

— DDR

= 10.5
2.1

= 5.0

Govt silent on plans for EL harbour—Card

EAST LONDON—Despite urgent messages to the Prime Minister and three cabinet ministers, local civic, commerce and industry organisations are still in the dark over future plans for the harbour.

Although a statement by the Maize Board that considerable improvements would be made to East London's harbour to increase maize handling in the short term has been welcomed, there is still concern that "the Richards Bay option" is still being considered.

The mayor, Mr Donald Card, said he was angry that the municipality and local organised commerce and industry had not been consulted and that urgent telexes requesting consultation had not been answered.

Mr Card said the first he knew of plans by the Maize Board to develop maize handling facilities at Richards Bay was hearsay of a radio report.

"Last Monday, here in the mayor's parlour, the Town Clerk, Mr J. J. Human, telephoned the SABC and had the report read out to him and he quoted it to us.

"Based on that report

we felt there was a strong move to develop Richards Bay as a maize handling harbour at the expense of East London," Mr Card said.

A meeting of the East London Development Committee (ELDC) was convened the same day, representing the city council, the Chamber of Commerce, the Chamber of Industry and the Afrikaanse Sakekamer

"We decided to regard the matter as very serious and to take action at the very highest level," Mr Card said.

"We sent a lengthy telex message to the Prime Minister's office and also to the offices of the Ministers of Transport, Agriculture and Economic Affairs.

"In that message we asked if we could be present at the meeting on Thursday between the Maize Board and the Minister of Transport, Mr Hendrick Schoeman.

"We stated that if that was not possible, we would like to meet Mr Schoeman before Thursday to state our side of the story.

"We still have not even had the courtesy of a reply to those messages either from the Prime Minister

or any of the three ministers. We are keeping ourselves informed on press reports."

Mr Card said he was pleased to hear that the East London harbour would be improved, but added that he was still deeply troubled that maize handling developments at Richards Bay were still being considered.

"East London is the main maize handling harbour and any developments for increased maize handling facilities should be built here.

"We have critical unemployment here and this is exactly the kind of government development that should be taking place but instead they are talking about a short term answer for East London and a possible long term answer for Richards Bay."

In much more cautious language, Mr Tony Selley of the East London Chamber of Commerce said they were still waiting for the outcome of the messages to the Prime Minister and three ministers.

"The statement by the Maize Board shows that they are looking at our suggestions but we must

wait for the final decisions," he said.

Mr Card also strongly attacked the National Party MP for East London City, Mr Peet de Pontes, who during the general election opposed Mr Card, who stood for the Progressive Federal Party.

Mr Card said it was apparent that Mr De Pontes criticised the city council for acting too emotionally.

"When we took our action we were going on an SABC report and we did not become hysterical — in fact when approached by the press we simply said we had taken action and nothing more.

"What I want to know is why we had to hear this from the SABC? Where was Mr De Pontes and why doesn't he work with us instead of against us?"

"He has won his political battle but he seems to keep on trying to prove something. Why didn't he keep us informed on what was happening down there in Cape Town and help us put our motivations?"

"We are not fighting political battles, we are fighting for the development of East London," Mr Card said. — DDR.

8. Document layout (1) Whether any surplus is anticipated in the production of maize for domestic consumption in the current year; if so, (a) what percentage of the current crop will be exported and (b) at what price;

8.1. Document Title (2) whether any surplus is anticipated after export and domestic consumption; if so, what is the extent of the anticipated surplus;

The first line of text printed at the top of the first line should be printed and commences with the text.

The MINISTER OF AGRICULTURE AND FISHERIES:

- (1) Yes.
- (a) 38,87% (5,5 million tons of an estimated crop of 14,149 million tons).

8.2. Document Text

Text lines are line numbered. The default starting such lines, text or blanks are moved printed. Text command or an abbreviation margin which is normally column 2).

- (b) Maize for export is sold per tender and prices fluctuate. The current world price is R125 per ton.

The document and is not required, the

which is to be put, intermingled

number other than column 2. For lines and strings of which stage it is the next layout start in the left

8.3. Chapter

Chapters in text on Each time is usually is answered sections v sub-section designated chapter can document.

- (2) Yes. 3,153 million tons (including the normal annual carry-over of 900 000 tons).
- (3) The availability of storage facilities for surplus maize will be determined by the extent of the 1982-'83-crop. Facilities to store 12,055 million tons of grain in bulk in area A and 3,6 million tons in bags are available. It is anticipated that additional silo capacity of 2 million tons will be completed in time for the 1982-'83 crop.

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8.4. Layout Commands

The layout commands are distinguished from text as they always start in column 1.

8.4.1. SPACE Command

The SPACE command is used to create blank lines in the final document and has the form

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where n is the number of blank lines required. If n is omitted it

Maize: Natal port backed

3/10/51

~~3/10/51~~

EAST LONDON — Mass storage facilities for maize could be prepared within hours at Richards Bay, according to a report published in the official journal of the National Maize Producers' Organisation, Mielies-Maize.

"According to spokesmen, sufficient mass storage capacity is available, which not only can be completely closed off from adjoining units, but also can be spotlessly cleaned within hours," the journal reported in its August edition.

The magazine carried a lengthy report on maize exports and strongly supported the use of Richards Bay for the loading of ships up to 100 000 tons.

Nampo is the only organisation representing maize farmers and the chairman of the Maize Board, Mr Crawford von Abo, is also a Nampo executive.

The article says that the United States of America is shipping its maize exports in 100 000 ton shiploads.

At present South Africa exports maize in shiploads of 14 000 tons and East London handles about two-thirds of the total exports. Most of the remaining maize is exported through Durban. Cape Town usually handles small amounts of white maize.

"East London, Durban and Cape Town handle only ships of less than 30 000 tons and normally shiploads of 14 000 tons.

"At each of the harbours there is room to load only one ship at a time.

"Richards Bay is a deep-sea harbour which can handle ships of 100 000 tons and larger and which has specifically designed and built to ship mass commodities, including maize, from Eastern Transvaal," the article says.

Another point made in the article is that there is a "sliding scale" on shipload sizes which makes it cheaper to ship in greater bulk.

Quoting a Durban shipping executive, Mr Gunter Bartel, the magazine says it would be cheaper to export units of 100 000 tons of maize than units of 14 000 tons of maize.

"The shipping cost to England of a 28 000 ton load is at present US £26,50 a ton as opposed to US £30 or more for a 14 000 ton load," Mr Bartel is quoted as saying.

The article also points out that the distance between the main maize depots at Bethal and Klerksdorp in the centre of the Transvaal-Orange Free State maize triangle and Richard's Bay is substantially less than the distance to East London.

The distance from Bethal to Richard's Bay is 577 kilometres and to East London it is 1 464 kilometres. From Klerksdorp to Richard's Bay the distance is 811 kilometres and to East London it is 937 kilometres.

According to the magazine, the South African Railways tariff for maize (class 12) from Bethal to East London is R26,07 a ton, whereas from Bethal to Richard's Bay it is only R14,47 a ton. — DDR.

Other objections relate to the practicality of capitalising leases. If capitalised, the leased asset would be shown at an amount representing the cash price. If this is not known the present value of the future lease rentals would be used. However, this should not exceed the fair value of the leased asset - a figure that may not always be readily determined, and which, when known, may need to be adjusted by tax allowances which it attracts.³ Further, in choosing a discount rate to calculate the present value an element of subjectivity is involved. While theoretical arguments exist as to the correct rate (for example, whether it should be the lessee's incremental borrowing rate,⁴ or cost of capital), the rate stipulated in the agreement can generally be taken as a fair representation of the interest factor. The advocates of non-capitalisation also argue, perhaps a little inconsistently that disclosure of the present value of future lease rentals as a liability, would understate the total commitment (due to the amounts being discounted). Other arguments concern the fact that capitalisation may lead to borrowing powers being exceeded, and may make leasing less attractive. It is submitted that the majority of these arguments can be dismissed, as they represent problems of implementation, and do not affect the accounting principles involved

The auth however, to effect Example 1

- Assume the
- (a) Enlargement of the grain elevator to increase storage capacity from the present 75 300 tons to 194 000 tons.
 - (b) (i) Probably 1983-84,
(ii) Probably 1986-87.
 - (c) The cost is not yet known, but during 1983 it could amount to R30 million.

The MINISTER OF TRANSPORT AFFAIRS:

Whether any improvements to the East London harbour with regard to maize exports are contemplated; if so, (a) what improvements, (b) when will such improvements be (i) commenced and (ii) completed and (c) at what cost?

31. Mr. P. DE PONTES asked the Minister of Transport Affairs:†

lessee in capitalising the effective rate of payments between

the capital interest, an

ling price of R500 000
rest computed at 7%
onthly in arrear.

a.

DD 20/8/87 (3 maize) (74)

R30m EL maize boost

CAPE TOWN — Massive extensions to South Africa's only maize export elevator at East London harbour which will more than double its capacity were disclosed by the Minister of Transport, Mr Hendrik Schoeman yesterday.

The elevator's capacity will be increased from 75 300 tons to 194 000 tons.

The exact cost of the extensions is not yet known "but during 1983 it could amount to R30 million".

Mr Schoeman said the extensions would probably begin in the 1983/4 financial year and they would probably be completed in the 1986/7 financial year.

The minister revealed

these plans in Parliament when he replied to a question by Mr Peet de Pontes (NP East London City).

His announcement will effectively scotch a recent call by the Maize Board for a new grain elevator to be constructed at Richard's Bay which can take deeper-keeled ships than East London.

Mr De Pontes said afterwards that the East London harbour "is probably, next to the area's manpower potential, East London's most important natural asset".

"I believe that although development should be over as wide a spectrum as possible so as not to be vulnerable should any one sector of the economy

undergo a negative phase, the harbour must form a central point of the Border's development.

"With this in mind immediately after being elected I approached the Minister of Transport, urging the extension of East London's harbour facilities.

"Discussions were also held with senior officials of the department and, at the earliest opportunity, I consulted with the minister personally.

"This recommendation was also incorporated in the memorandum submitted to the Prime Minister's office.

"These efforts have now been rewarded.

"Negotiations will now

be continued to obtain further extension of other harbour facilities to provide for even greater utilisation at the harbour," Mr De Pontes said.

In East London, the railways systems manager, Mr A. J. Jonker, said reports that Richard's Bay had facilities to load maize were incorrect.

Mr Jonker said the reports, in the magazine Mielies - Maize, the official journal of the National Maize Producers' Organisation (Nampo), apparently referred to a multi-purpose loading facility at present used for loading ore and coal.

These facilities were not suitable for maize loading, he said. — DDR.

DD 21/8/87

Card we'll continue wool, maize inquiry

EAST LONDON — The issues of maize and wool exports through the East London harbour have cooled following announcements of massive improvements to the maize elevator at the harbour and that there is no rail tariff discrimination against East London for wool.

Following reports that Richard's Bay could be used for maize loading and that rail tariff reductions on raw wool had not been applied to East London, a meeting of the East London Development Committee was called for yesterday.

Before yesterday's meeting, the systems manager for East London, Mr A. J. Jonker, issued assurances that Richard's Bay could not be used to load grain and that there was no discrimination in SAR rail tariffs for raw wool.

The Minister of Transport, Mr Hendrick Schoeman, also announced in Parliament that massive improvements, costing about R30 million, would be undertaken at East Lon-

don's grain elevator.

Yesterday, after the ELDC meeting, the Mayor, Mr Donald Card, said that as a result of the recent assurances it was decided to continue investigating the issues.

The ELDC involves local commerce and industry as well as the city council and the Kaffraria Divisional Council.

"With regard to maize we are awaiting a letter from the Minister (Mr Schoeman) regarding the proposed developments to the grain elevator.

"As regards wool it has come to our attention that reports on rail tariffs for raw wool were not completely correct.

"The matter is being taken up further and the ELDC will continue to examine both the maize and wool issues," Mr Card said.

Meanwhile the president of the Border Chamber of Industry, Mr John Rich, said he was "absolutely delighted" at the announcement by Mr

Schoeman that the capacity of the elevator would be increased from 75 300 tons to 194 000 tons.

"This is one of the biggest things that has happened to East London for a long time," he said. — DDR

Maize men fight

'bureaucracy'

(Maize)

RJR 22/1/71
Mail Reporter

HUNDREDS of maize farmers are joining Nampo, the militant National Maize Producers' Organisation, to fight against "obstacles imposed by bureaucracy", the organisation's chief economist, Dr Kit le Clus, said yesterday.

Dr Le Clus was commenting on the joining this week of 150 Dolmas maize farmers -- one of the country's largest maize producing areas -- at Nampo's first meeting in the district.

Farmers were angry that the National Marketing Council (advisers to the Minister of Agriculture and Fisheries) were "deliberately stalling" the maize industry by freezing money which should have gone to maize research, he said.

The "en masse" enrolment was a feat for Nampo and showed that differences in the maize industry, which existed in the days of Samso (SA Maize Speciality Organisation) and Sampi (SA Maize Producers' Organisation), were being ironed out, the economist said.

Referring to the "bureaucratic obstacles", Dr Le Clus said many maize farmers were frustrated, that the Minister of Agriculture and Fisheries, Mr Pietie du Plessis, "found it fit" to freeze R500 000 budgeted for Nampo's research development.

The money had been deducted from maize farmers' income.

Yesterday the National Marketing Council would not give Nampo reasons for the freeze, Dr Le Clus said.

The farmers would also fight against sharply rising production costs, he said.

The massive surplus crisis this year would mean maize would have to be sold at an estimated loss of R400-million on the international market, he added.

S - Times 23/8/07 (3 pages)

Concern over maize surplus

By Vera Beljakova

SOUTH Africa's large maize surplus must be viewed with concern and handled as a problem despite the fact that it could earn R800-million in foreign exchange.

This is the opinion of the National Maize Producers' Organisation (Nampo), which blames high production costs for threatening to suffocate maize producers who battle against daily increases.

Nampo also lashes out against Government policies that subsidise local industry, which passes on its costs to the producer.

"Our costs, which are far higher than

those of the US, can largely be ascribed to the policy of protecting local industries and passing on resultant costs to the maize producer."

The attack refers to "the price increases of protected production items such as diesel (15,3%), steel (9%) and tractor engines, which are shortly expected to go up by 20% to 40%".

Another attack is aimed at "the high transport cost of hauling maize over unnecessarily long distances to export harbours, thus forcing costs up further".

Nampo also argues that local maize cannot be bartered profitably international-

ly when considering the high local costs of storage, transport and shipping.

Even worse, according to Nampo's mouthpiece, Maize: "Despite the role the protected domestic industry plays in pushing up maize prices, the State expects the maize producers to bear the brunt of the losses incurred on foreign markets."

The loss is likely to rise to R400-million while direct Government subsidies to the producer amount only to R14,3-million.

The total Government subsidies the maize industry receives (including interest subsidies and a consumer subsidy of R72-million) is a mere R90-million, says Maize.

ROY OVER MOVE TO FORM MAIZE CARTEL

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~~1065~~
3 maize

Mr 27/8/81

3 maize

Blake Wilkins Political Reporter

MAIZE millers with a market of more than 30 million blacks are in the final stages of forming a cartel which will control prices throughout Southern Africa.

Opponents of the cartel fear that the price of staples such as mealie meal, samp and other white maize products will rise as a result of lack of open competition.

A call for an immediate investigation was made yesterday by Mr Philip Myburgh, Opposition spokesman on agriculture. He questioned whether Dr David de Villiers, Minister of Trade and Industries, was aware of moves to form a cartel and said the Commissions Board formed in terms of the Maintenance and Promotion of Competition Act of 1979 should investigate the proposal.

Mr Myburgh warned that blacks unable to afford staple food could mobilize to

protest en masse, as had happened in Poland. The initial limitation of the proposed monopoly on white maize prime products would not last.

Once price fixing spread to animal feeds, used extensively in the broiler, egg, pork, milk and red meat industries, the effect on food prices would be catastrophic.

Major groups involved in the cartel move — named in a 50-page agreement supplied by a Johannesburg source — are Tiger Oats and National Milling Company Limited, Premier Group Limited, Tongaat Foods Limited, and Fedcoed Limited. They have a 50 to 80 percent share of the market.

Monopolistic

Three of these groups — Premier, Tiger and Tongaat — were also members of the ill-fated National Egg Producers' Co-operative.

It is understood that the proposed cartel would avoid prosecution under law governing monopolistic practise because millers sell their products to mid-

dlemen and not directly to the consumer. The raw product can be bought only from the Maize Control Board, which is expected to lose R300-million this year in dealing with the record maize crop.

Millers were due to sign the agreement in Johannesburg today — with the agreement coming into effect immediately and running for 5 years — but the meeting was postponed pending the completion of further statistics.

Many small millers are being forced to enter the agreement through fear that they would be squeezed out of business in an ensuing price war should they choose to remain independent.

In terms of the agreement, 'combat' areas would be declared where members would be permitted to sell products at less than fixed cartel prices to bring rebel millers to heel or to close down mills.

Signatories will be allocated a quota based on past production figures supplied by millers themselves. Penalties will have to be paid by millers who

sell above their quota, while those that undersell will be compensated.

The agreement also stipulates that owners may not sell or let their mills unless the buyer or lessor agrees to become a signatory.

A further provision which impinges on the rights of an owner is a clause which empowers the accountants retained by the cartel to inspect the books of account of any signatory.

There are fears that the Big Four will control a 10-man executive committee which will run the cartel. Execs will consist of one nominee of each of the major groups, three nominees elected by a majority vote by co-operative societies and three nominees elected by a majority of the remaining parties.

Within 30 days of signing the agreement, members will have to supply a written guarantee consisting of their quota expressed as a percentage of R2 000 000.

The move to form a cartel was condemned by Mr Raymond Ackerman, chairman and managing direc-

tor of Pick n Pay. 'I have heard rumours of this and had been warned about discounts ending, but I never thought they would date go ahead.'

Mr Brian Beavan, regional marketing director of Spar, said he would oppose the formation of a cartel if it eliminated free competition.

'If savings are passed on to big volume buyers, I am not against the move.'

Objective

The cartel would not have as an objective the closure of rebel millers. Mr Walter Wolters, chief executive of maize milling in the Premier group, said yesterday.

Mr Wolters, who is on a committee of the National Association of Maize Millers which drew up the agreement to be signed by cartel members, said consumers were not benefiting from the price war. Retailers and more specifically cash and carry and small rural stores, were tapping up the profits gained by the huge discounts. See also page 15.

Moves to form maize cartel

Mercury Reporter

MOVES by manufacturers and marketers of maize products to form a cartel were aimed at bringing about 'a rationalisation of the industry to ensure a fair return for the parties on their investment', according to a 50-page agreement drawn up for signature by proposed cartel members.

The agreement says the industry has for some time been 'suffering from under-utilisation of capacity coupled with a diminished demand in real terms for maize products'.

Agreement

The agreement was intended to 'resurrect and regulate the market to satisfy demand from the public'. It was 'in the public interest to create stable conditions in the industry and to eliminate the chaotic conditions'.

To achieve rationalisation in the maize milling industry, signatories should 'use their utmost endeavours' to buy at reasonable cost excess milling capacity.

Under a heading, Selling Price of Products, the agreement stipulates that signatories shall not sell any products at prices less than 'the fixed prices'. Exceptions are sales to end users, excluding mines, the State, and provincial and municipal institutions; and sales in 'combat' areas where prices are lowered to do battle with rebel millers. The 10-member executive committee sets the fixed price.

Method

Since the common intention of the signatories is to 'prevent unfair competition and to establish and maintain a scheme for the regulation and control of the sale and marketing of the products', breaches will disrupt the scheme 'and will probably cause loss or damage directly or indirectly to all', which would not be 'readily capable of estimation in money terms'. Members who breach the agreement will have to pay in damages of R75 per ton on every ton of goods sold.

A method of arbitration is set out in the agreement to deal with breaches of the agreement.

Unless otherwise agreed to, the signatories must in aggregate have sold not less than 85 percent of white maize products in the agreement area in a fixed year for the agreement to come into force. The agreement area is the Republic of South Africa,

South West Africa, Transkei, Venda, Bophuthatswana, Swaziland, Lesotho and Botswana.

Selling

Penalties and compensation payments are set out in the agreement. Minor manufacturers — those with less than 2 percent of the total quota — and major manufacturers are divided into two classes for the payment of penalties.

The selling, letting, admitting of partners or dissolving of a partnership by any signatory is controlled. Newcomers will have to become signatories before they can hold interests in milling.

The running costs of the cartel, which can include funds necessary for the buying out of a mill, will be met from a pool account to which members contribute on the basis of their quotas.

In terms of the agreement, each signatory undertakes not to gain any form of advantage, either long or short term, over other signatories regarding the sale of products. A following clause stipulates that this provision shall not 'restrict fair competition having regard to the accepted ethical standard of business in respect of the sale of the products'.

The agreement limits the payment of cash discounts, reductions, brokerage or agency commissions, all of which are widespread in the milling industry at present.

The National Association of Maize Millers will set up a list of approved wholesalers, brokers and commission agents, but millers can use their own agents.

System

At present, discounts given by millers vary between R10 and R20 a ton, and a preferential price list operates. A selected wholesaler gets a discount of R15 a ton, an ordinary wholesaler R9 a ton, and a preferential buyer is allowed R4 a ton. Additional discounts are also used to induce a buyer to take products from a particular mill.

The existing system works as follows: Basic prices stemming from production costs are set in each of 25 areas, including South West Africa and Botswana. For example, the basic mill door price of an 80 kg bag of special sifted maize meal varies from R18,15 in the Prieska, De Aar and South West Africa area to R21,31 in the Knysna, George area.

3 Maye
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238
NM 27/8/81

Monopolies Board warning on maize cartel

Maize

NM 28/8/81

Political Reporter

MAIZE millers who approached Dr. D. J. Mouton, chairman of the Monopolies Board, about the legality of an agreement aimed at eliminating disruptive trading in the industry were warned that the matter would be investigated if complaints were received that the cartel was abusing its powers and causing restrictive practices not justified in the public interest.

Dr Mouton said from Pretoria yesterday he had told the millers' delegation that their agreement would not be illegal in terms of the prohibition on resale price maintenance. RPM

applied to suppliers setting prices to resellers.

He was commenting on a report in yesterday's Mercury that a bloc of maize millers — headed by the 'Big Four' — were trying to set up a cartel based on a fixed price and no discounts to wholesalers and retailers.

'I told them that if the board received complaints that the agreement was not in the public interest, the board would investigate and could recommend that the agreement be declared illegal.'

The investigation would be initiated in terms of the Maintenance and Promotion of Competition Act of 1979.

Dr Mouton said he had not seen a copy of the agreement. The millers told him they wanted to draw up an agreement aimed at eliminating 'disruptive price cutting' in the industry. They were seeking to control exorbitant discounts.

The Mercury carried out a limited survey yesterday of small to medium maize milling operations in Natal, the Orange Free State and the Transvaal to test attitudes on the price fixing agreement.

A miller who sold his products in most parts of South Africa said some form of control was needed in the industry over huge discounts to major outlets.

But axing discounts would adversely affect the consumer since retailers would pass on higher prices to the man-in-the-street.

He said most mills had broken even last year because of fierce competition and an over-supply of maize products. Millers wanted a reasonable return on their investment.

A Natal miller with interests in other provinces said the agreement was 'stillborn'.

He believed that the agreement would be in the best interests of both millers and consumers, although he did not agree with the principle of price fixing.

MAIZE EXPORTS ³ Maize Looking to RB?

FM 28/8/81

The 5,3m t of this year's record maize crop earmarked for export has led to severe storage problems. The silos complex at East London, SA's major maize export port, were "under pressure, especially when shipping movements were irregular," says SAR assistant GM (planning) Jannie de Waal.

As a result, the SAR, the Maize Board, and the Minister of Transport, Hendrik Schoeman, held discussions earlier this month on plans to expand handling and storage facilities at the port.

A grain export silo complex at Richards Bay was also suggested, and the SAR has received a directive from the minister to investigate this.

De Waal says several factors would influence the decision to spend roughly R150m (in 1983 prices) for a 200 000 t storage silo, marshalling yard, dredging operations, new quay and possibly a turn-

ing basin.

Railage to the port will cost less because Richards Bay is closer than East London to the major maize producing areas. The port is also closer to the East which influences ship freight charges.

Nevertheless, he warns that economic and strategic considerations dictate that East London can never be phased out as a major export port.

If the maize crops continue to expand according to Maize Board projections "the development of Richards Bay will become inevitable," he says. But the Maize Board will have to take into account the "tremendous variation" in the size of maize crops. "They have to face up to the fact that in a poor crop year harbour charges will be increased to cover our costs."

Maize Board GM Hennie Nel says approval of the Richards Bay project would be worthwhile. The present ship tonnages of 14 000 t-40 000 t would be increased to 60 000 t-100 000 t. The spinoff would be lower freight rates.

Only 11 ports in the world can handle tonnages exceeding 70 000 t. But both Japan and Taiwan, two major export markets, have ports equipped to deal with these vessels, says Nel.

□ Meanwhile, the go-ahead has been giv-

en to increase storage capacity from the present 75 000 t to 194 000 t at East London. Expansion will cost roughly R30m and completion is scheduled for 1986. The main rail line will be electrified at an expected cost of R100m. This will allow carrying capacity of 6,5m t/year.

Maize millers' cartel

Plan to control prices

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Table 4 Estimate of number of people in closer settlements

1980	
(a) 1960 Agricultural Census (Kraalheads)	
Residential plots only	100441
Residential plots and arable land	197807
Residential plots and grazing land	73558
Residential plots and arable land and grazing land	339150
	770956
(b) 1960 Homeland population	
Urban (1,2%)	56878
Rural (98,8%)	4682977
Total	4739855

Mail Correspondent

MAIZE millers with a market of more than 30-million blacks are in the final stages of forming a cartel which will control prices throughout Southern Africa.

Opponents of the proposed cartel fear the price of staples such as mealie-meal, samp and other white maize products will rise as a result of open competition.

A call for an immediate investigation was issued yesterday by Mr. Philip Myburgh, Opposition spokesman on agriculture.

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Development 1950-1970); assuming
growth in per capita income, we s
that range in the year 2004.

Fear
Millers were due to sign the risk agreement in Johannesburg today — effective immediately — but the meeting was postponed pending the compilation of further statistics.
Many small millers are being forced to enter the agreement through fear they would be squeezed out of business in an ensuing price war, should they choose to remain independent.
In terms of the agreement, "combat" areas would be declared where members would be permitted to sell products at less than fixed cartel prices to bring rebel millers' heel or to close down mills.

Ill-fated

Major groups involved in the cartel move — named in a 50-page agreement supplied by a Johannesburg source — are Tiger Oats and National Milling Company Limited, Premier's Group Limited, Tongaat Foodstuffs Limited, and Redfood Limited. They have a 50% to 60% share of the market.

Three of of these groups — Premier, Tiger and Tongaat — were also members of the ill-fated National Egg Producers and Co-operative.
It is understood that the proposed cartel would avoid production under laws governing monopolistic practice because millers sell their products to middlemen and not directly to the consumer.

The raw product can be bought only from the Maize Control Board, which is expected to lose R300-million this year in dealing with the record maize crop.

Quotas

Signatories will be allocated quotas based on past production figures supplied by millers themselves. Penalties will have to be paid by millers who sell above their quota, while those who undersell will be compensated from a special fund set up by the cartel.

The agreement also stipulates that owners may not sell or let their mills unless the buyer or lessor agrees to become a signatory.

The agreement covers South Africa, South West Africa, Transkei, Venda, Bophutha, Kwana, Swaziland, Lesotho and Botswana.

Quotas

respective regions and the third is the unemployment ranks of the areas by these criteria are broadly similar as well; the best area is Dimpabaza.

He questioned whether Dr. Davie de Villiers, Minister of Trade and Industries, was aware of moves to form a cartel and said the Competitions Maintenance and Promotion of Competition Act of 1979 should investigate the proposal.

Mr Myburgh warned that blacks unable to afford staple food could protest en masse. He predicted the initial impact on white maize prime products would not last.

Once the price control spread to animal feeds, used extensively in the broiler, egg, pork, milk and red meat industries, the effect on food prices would be "catastrophic".

Mail Correspondent

AN agreement drawn up for signature by proposed members of the maize millers' cartel says the move aims to bring about "a rationalisation of the industry to ensure a fair return for the parties on their investment".

The agreement says that for some time the industry has been "suffering from under-utilisation of capacity, coupled with a diminished demand in real terms for maize products".

The accord was intended to "resurrect and regulate the market to satisfy demand from the public".

Maize men's aim to 'rationalise' industry

31 member Wm 25/8/81

It was "in the public interest to create stable conditions in the industry and to eliminate the chaotic conditions".

To achieve rationalisation in the maize milling industry, the agreement urges signatories to "use their utmost endeavours" to buy excess milling capacity at reasonable cost.

The agreement stipulates signatories shall not sell any products at prices less than 'the fixed prices'. Exceptions are:

- Sales to end-users, excluding mines, the State, and provincial

and municipal institutions; and ● Sales in "combat" areas, where prices are lowered to do battle with rebel millers.

The 10-member executive committee sets the fixed price.

Members who breach the agreement will have to pay in damages of R75 a ton on goods sold. A method of arbitration is set out to deal with breaches.

Unless otherwise agreed to, the signatories must, in aggregate, have sold not less than 85% of white maize products in the agreement area in a fixed

year for the agreement to come into force.

Penalties and compensation payments are set out.

The running costs of the cartel, which can include funds necessary for the buying out of a mill, will be met from a pool account to which members contribute on the basis of their quotas.

In terms of the agreement, each signatory undertakes not to gain any form of advantage, either long-term or short-term, over other signatories in the sale of products.

A following clause stipulates this provision shall not "restrict fair competition, having regard to the accepted ethical standard of business in respect of the sale of the products".

Hempel found strong support for the phenomenon that default rates are strongly related to the economic cycle, i.e. only during a significant economic downturn do default rates become significant. He also found that most payment problems occurred in the latter stage of a depression.

HEMPEL: DEFAULT RATES AND THE ECONOMIC CYCLE

grade corporates. 1% would have been necessary for a portfolio consisting of fourth default and credit impairment of the top two agency grades, but almost portfolio per annum would have been enough for the real losses from See Table 1 for the results obtained. Reservations of 0.2% of the value through credit deterioration). These averages of loss rates indicate roughly how much of the interest receipts of the entire portfolio would have had to be received in order to compensate for losses (whether through default or decline in market value through credit deterioration). Their modified averages thus tended to approach what the bonds would have yielded without the gains from interest-rate level changes. was done by substituting the contractual yield for those underwriting bonds still outstanding at the end of the period, for which the realized was in excess of the prospective yield.

Farmers are fighting millers' price rise

Star 3/9/81 (3 maize) (MMA) (MPP)

Farming Correspondent

Maize farmers are fighting the mills to keep down the consumer price of maize meal.

Allegations that millers were trying to set up a cartel to increase meal prices worry farmers as much as consumer bodies. The price of maize grain is controlled but the price of maize meal is left to the mills and the trade.

After this year's record crop, farmers must carry a loss of about R300-million on exported maize.

Any rise in maize meal prices would reduce domestic consumption, further increasing the export surplus as well as the export loss.

According to the mills, meal sales since April are running at a level 6 percent lower than last year. Farmers feel that they cannot afford to lose any more of their home market.

It was reported that a comprehensive agreement between millers to stick to prices "recommended" by the Maize Millers' Associa-

tion was ready to be signed. Consumer bodies feared this would lead to high maize meal prices.

The president of the MMA, Mr I J Rutowitz, confirmed that such an agreement was being prepared.

He said the price situation in the maize meal trade was chaotic. Lower sales volume was causing overcapacity and mills were undercutting each other to grab every bit of business they could get.

If this situation was not ended, the whole milling

industry would run at a loss.

The director of the Consumer Council, Mr Jan Cronje, said that competition among millers was exactly what the consumer wanted. If it became clear that millers were to restrict competition, his council would take steps against it and if necessary would ask that the matter be raised with the Competition Board.

Farmer reaction was fierce. Farmers did not expect much from the Competition Board but they served notice of their intention to block any move to rig the maize meal market.

Dr Kit le Clus, deputy director of the National Maize Producer's Organisation, said that any millers' cartel would be fought tooth and nail. He would urgently study a copy of the agreement and if cartel plans were to be taken further, Nampo might ask the Maize Board to reimpose price control of maize meal.

Up to about 10 years ago maize control had been as complete as wheat control and included sales of maize products down to the consumer. Then the control over maize products had been lifted with the understanding that the mills and the trade would maintain healthy competition.

The millers' cartel agreement would now change the situation.

Maize

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

- (1) Whether consideration ^{of Maize} has been given to subsidizing maize for domestic consumption to encourage such consumption with a view to absorbing the present surplus of maize; if not, why not; if so,

Hans S Q C 210
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FRIDAY, 4 SE

- (2) whether any decision has been taken in this regard; if so, what was the nature of such decision?

The MINISTER OF DEFENCE (for the Minister of Agriculture and Fisheries):

- (1) Yes.
- (2) Yes. For 1981-'82 the Government has under tighter financial conditions made an amount of R250 million available for food subsidies compared with R226 million for 1980-'81. The subsidy for maize amounts to R87 million for 1981-'82, compared with R60 million for 1980-'81.

Maize cartel: Myburgh challenges minister

CT 15/9/81 (3 Maize) 232

HOUSE OF ASSEMBLY. — The Minister of Agriculture, Mr Du Plessis, was yesterday accused of adopting a negative attitude over the threatened establishment of a cartel which could monopolize the maize industry.

The Opposition's spokesman on agriculture, Mr Philip Myburgh, (PFP Wynberg) said that while Mr Du Plessis had not shown tremendous interest, the Consumer Council had threatened to take the matter to the Competition Board.

Mr Myburgh charged that among the signatories to an agreement to launch the cartel, which would control the marketing and prices of virtually all maize products, were certain co-operatives which were "supposedly established to further the interests of farmers".

"If the minister allows the formation of this monopoly,

then it is only a question of time before the monopoly is extended to include the marketing and prices of animal feeds," said Mr Myburgh.

Mr Du Plessis, challenged by Mr Myburgh in a question across the floor about whether he had made any attempt to confirm the moves to form a maize cartel, said he had made inquiries with "the people who made the announcement".

But he charged that some of Mr Myburgh's allegations were untrue.

"Could it be that the minister does not care or disapprove of the creation of an exploitive monopoly?" Mr

Myburgh asked.

"If he does not, I can tell him that farmers care because after a drop in maize product consumption of six percent last year, any price rise now would cut domestic consumption even further.

"This will increase the export surplus as well as the export loss."

Mr Myburgh said the deputy director of the National Maize Producers' Organization (Nampo) had been reported as stating that efforts to establish the cartel should be fought tooth and nail.

He said that in terms of the agreement any miller who refused to co-operate would be eliminated from the market.

"If any miller decided to sell at say five percent below cartel price, the cartel would simply move in on that area, use its collective strength to eliminate that miller and then share the available market among its partners."

In reply later last night, Mr Du Plessis pledged that he would not hesitate to introduce price controls in the maize industry if it emerged that a cartel was manipulating marketing and prices.

He said that when reports about the cartel had first been published, he had made inquiries, but "nobody would admit the existence of any such cartel".

Star 9/10/81
After the rain,

the grain

3 News

Farming Correspondent

Maize planting has got off to a roaring start.

After good early rains in the Eastern Transvaal highveld, maize farmers are planting night and day.

A spokesman for the Eastern Transvaal Co-op at Bethal said today that the bad current maize price was forcing farmers to increase volume and acreages where possible.

An exceptionally good crop was expected.

In the north-western Free State yesterday's rain had also stimulated planting.

Maize
1987 16/10/87
futures in
earnest

SOUTH AFRICA will begin using US futures markets for its export maize more systematically, says the Maize Board's chairman, Mr. Crawford von Abo.

He says the decision to make more use of futures markets has been taken against a background of "under-compensation" to producers and high interest rates.

Increased participation can also obviate domestic transport limits.

Mr Von Abo says some transactions have been carried out on an ad hoc basis. But after a US visit by Maize Board officials it was decided to use futures markets on a more systematic and sophisticated basis.

It is now possible for traders and end users of South African maize to transact directly with the Maize Board. The present tender system used by the board for foreign maize sales will continue. — Reuter.

(3) Maize

SA stands to lose millions on maize exports

SUNDAY TIMES 18.10.87

By KEN SLADE

SOUTH Africa stands to lose out on a potential annual R1 000-million maize export market because the State is forcing maize farmers to subsidise domestic products.

This is the view of the chief executive of the National Maize Producers' Organisation, Dr Pieter Gouws.

Dr Gouws said this week that should local maize farmers continue to increase production at current rates, an average maize harvest of 16-million tons in 10 years' time would be commonplace.

"The normal domestic consumption of the crop grows slowly and at present stands at only six million tons a year.

"Profitable markets will have to be found for the expected bumper harvests, and the maize producers will have to turn increasingly to foreign markets to sell their produce."

But Dr Gouws was not sure such harvests could be exported profitably under present circumstances.

"There are insufficient export facilities and high domestic rail costs. Maize is being exported through Durban, East London and even Cape Town.

"Farmers are paying extremely high rail fares for their produce and it seems stupid to me that we have to use those ports, which are so far, when Richards Bay could be used as a maize export port."

Dr Gouws said that during 1966, maize producers called on the Government and rail authorities for permission to use Richards Bay as a maize export harbour.

"Since then a total of 17 meetings on the same issue have been held, and all we hear is that they are still investigating the matter."

He also appealed to the State to stop using the agriculture industry, especially maize farmers, to subsidize domestic industries.

"A good example of this is that we are forced to purchase locally manufactured bags for our produce, even though we can buy the same product cheaper from overseas."

Maize Board man

NM 19/10/81

3-Maize

comments on Prof

Barnard's statement

Agricultural Correspondent

THE Maize Board could sell its surplus maize crop within 48 hours if South Africa had the infrastructure to handle its movement, according to board's general manager, Mr T Nel.

He was commenting on a statement by Prof Chris Barnard that the Maize Board had rejected offers by the World Vision organisation to buy maize from the board at reduced prices.

Mr Nel said he wanted to make it clear to the public that the board did not have a surplus of maize that it was unable to dispose of.

Stored

'The truth is we can easily sell all our maize within 48 hours if it were

logistically possible.'

He said about 88 percent of the maize crop had already been harvested and most of it had been stored in silos. Much of the crop was being kept on farms while the rest had been bagged. This was very useful because many of the black States did not have facilities for bulk maize storage, he said.

Mr Nel, speaking from Pretoria, said the board was committed to reserving sufficient quantities for local consumption — which included all the black States dependent on South Africa for maize. These included the homelands, Swaziland, Lesotho, Botswana and a number of States to the north of South Africa.

According to Mr Nel,

about 900 000 tons would be kept in reserve in South Africa for next season's needs. This meant that the board would be exporting 5 000 000 tons of maize abroad.

High quality

He said South African maize was in high demand on the world market because of its quality.

'As you can see, it's not that we did not want to help,' he said, referring to the World Vision request for cheaper maize. 'It's just that we are committed locally and to developing our export market.'

Mr Nel said he would be replying to Prof Barnard's statement in due course.

'I am sure he will understand our position once he is aware of all the facts.'

MAIZE INDUSTRY HEADS TOWARDS SHAKE UP

S. Tribune 25/10/81 (3 Maize)

Finance Reporter

THE MAIZE industry, the country's most important farming sector, is in turmoil.

The extent of the shake-up surfaced this week when the Maize Board announced two far-reaching changes to its export policy in an effort to boost foreign exchange earnings.

From now on, the board will be willing to bypass the traditional tender system for export sales by accepting offers directly from commodity brokers and foreign consumers.

Furthermore, the Board plans to make greater use of the Chicago futures market to hedge its export earnings.

These changes illustrate the tough, radical talk which has been sweeping through the Maize Board since eight new farmer members took control of the Board three months ago.

Under the chairmanship of Crawford Van Abo, who combines maize farming with property and precious metal trading, the Board is rapidly changing the way in which the maize industry is run.

For a start, much of the power in the industry has shifted from Pretoria to the farmers' body, the National Maize Producers Organisation (Nampo), based in the Free State town of Bothaville.

Nampo is believed to be planning a complete re-structure of the Board's administrative machinery.

"The top staff at the board are very unhappy," says one insider.

The Board's general manager Hennie Nel concedes that "some of the decisions taken by the new Board differ quite a lot from the previous Board."

He adds however: "We are loyal to the

Board and we are there to execute its decisions. That I will do with all the energy I have."

Jack du Plessis, acting chairman of the Grain and Produce Shippers Association, says "They've made the whole thing more flexible, but there is the danger that someone will buy up outside the tender system just about everything there is to be bought."

Others are convinced that the Board is heading for disaster. Instead of regarding hedging as a way of protecting earnings in a falling market, the new Board appears to look on it as a fail-safe way of boosting export profits.

Van Abo noted that if last season's entire export crop of around 5m tons had been hedged, earnings would have shot up by over R100-million. During a recent

visit to the US, he "closed" a hedge some eight months before its maturity date, realising a profit of R1.3m.

"They made a profit for the wrong reasons. They're going to burn their fingers," says a leading grain trader.

Moreover, there are serious doubts about bypassing the tender system. While some traders favour long-term contracts with the Board without the uncertainty of secret tenders, others doubt whether the maize farmers will gain anything.

"Nobody is going to pay R130 a ton when the market is at R118. Those dumb people haven't been born yet," argues one expert.

A committee of experts concluded in the late 1960s that the tender system, despite its shortcomings, was the best way of selling our maize exports.

They mean it

DD 21/11/81 (3maize)

Maize Board insists on Richards Bay

EAST LONDON — The Maize Board is adamant that Richards Bay should be developed as South Africa's major maize export harbour.

Yesterday, the general manager of the Maize Board, Mr Hendrik Nel, left no doubt that this was the case.

The move by maize farmers to develop Richards Bay as a deep-sea export harbour able to accommodate 100 000-ton bulk maize carriers was announced on Thursday by the chairman of the Maize Board, Mr Crafford von Abo.

Yesterday, reaction in East London to renewed Maize Board efforts to make Richards Bay the country's premier maize harbour ranged from shocked anger to disbelief.

According to an SAR study on the economic effect of the grain elevator in East London, released by the Systems Manager, Mr A. J. Jonker, the elevator earns about 27 per cent of the total income of the East London harbour.

From May 1 last year to April 30 this year, the elevator loaded 2,4 million tons of maize onto 145 ships. The income from the elevator during this period was R2,6 million while the income derived from the ships that carried here at R5 000 a ship, was R725 000.

The study estimates the elevator provides an income of about R10 million

a year to businesses in East London, which has a wide ripple effect on the local economy.

Yesterday Mr Nel said there would be clear advantages to maize producers if Richards Bay was developed and the Maize Board would not foot any bills for expansion to the East London harbour.

Mr Nel said Richards Bay was much closer to the main granaries of the

maize farmers in October alone was R15 million, paid out of the board's stabilisation fund which comprised payments by farmers.

"We must do all we possibly can to cut losses on the export of maize. We must look at a plan that is most economical as far as the maize industry is concerned."

He said Richards Bay would not only be used to ship the surplus of maize

Mr Orsmond said additional facilities at Richards Bay would have to be paid for by the taxpayer.

"We hear about the huge stocks of maize on hand. In most of the Free State at present no mealies have been planted because of the drought.

"What happens if we have several years of drought and the proposed Richards Bay facilities are unused? Who is going to pay — the maize farmer?"

The mayor of East London, Mr Errol Spring, said he would "reserve judgment" until he had heard the reaction of the Minister of Transport, Mr Hendrik Schoeman, and his senior officials.

"We have just had the assurance of the Minister that East London will remain the major maize exporting harbour and he announced a R20 million expansion programme to the elevator here.

"My reaction is one of scepticism, until we hear otherwise from the Minister."

The chairman of the council's industrial affairs portfolio, Mr Donald Card, said the reports on Mr Von Abo's statement were upsetting, whether they were true or false.

"The publicity that this gives us is bad for us, and we should ask for a reassurance from the Minister," he said.

The new chairman of the Border Chamber of Industries, Mr David Saunders, said Mr Von Abo's statement must have been referring to excess maize exports.

The government wouldn't build extensions to the maize elevator just for fun," he said.

Elevator's value

Page 7

By MIKE CHANDLER

Transvaal and thus would offer more economical railage, and could also cater for larger draft ships.

He said the board's major export markets were in the Far East where there were a number of deep water harbours and where the buyers wanted to buy and transport the maize in bulk carriers of over 40 000 tons, which cannot be loaded in East London.

At present, he said, the difference to a buyer purchasing and transporting maize in bulk carriers was between R5 and R10 a ton — which represented a considerable saving to the purchaser.

He also said that the railage cost borne by

which could not be handled through East London.

Richards Bay would be used to load however much maize the board's customers wanted to buy in bulk carriers, while East London would continue to be used for smaller ships.

Mr Nel said it was still possible the East London elevator would be extended, but that the development of a complex at Richards Bay would be investigated.

"Nothing has changed," he said.

Reacting to the Maize Board move, Mr George Orsmond, vice-chairman of the East London Chamber of Commerce and a member of the harbour advisory board, asked who was running the country — the politician or the farmer.

"Let's have some sense. We need the export maize here just as much as any other port in the country. Our port must be viable.

"The Prime Minister recently concluded the successful Good Hope conference which assured much needed development in this area.

"The loss of export maize would be a quick and certain way of torpedoing his plans."

AGRICULTURE - MAIZE

1982

DEC.

JANUARY - ~~OCTOBER~~

9/1/82 (3) Maize
Daily Dispatch

Record maize export forecast

JOHANNESBURG — The Minister of Transport Affairs, Mr Hendrik Schoeman, said yesterday that South Africa was experiencing a bumper maize export season.

Opening a new station complex at Delmas, he said the expected export figure of 5,3 million tons of maize this season was 33 per cent higher than the previous record export figure.

This was in the 1980/81 season when 3,6 million tons was exported.

Mr Schoeman said 2,4 million tons of maize had already been transported to the coastal areas for export.

The harvest was carried in 60 train loads a week to Durban, East London and Cape Town.

All the records were surpassed in October last year when 20 307 truck loads of maize were handled for inland destinations as well as for export.

The minister said the SA Transport Services, which comprised the railways, airways, road transport, harbours and pipe lines, were involved in just about every aspect of the South African economy.

As such, he said, it was called upon to adjust, improve and extend its services to keep pace with industrial, commercial, mining and agricultural development.

The SAST had succeeded, to a large degree, in meeting these demands and development, he added. — DDC

Record crop boosts exports of maize

14/11/82

(3) Maize
D. S. P. S.

PRETORIA — South Africa would become a major competitor in the Japanese maize market, the United States Agricultural Attache, Mr John Williams, said in Pretoria yesterday.

Addressing the agricultural outlook conference 1982, he said last year's record maize crop and favourable shipping rates had boosted estimated Japanese imports of

South African maize for 1981-82 to about two million tons.

Shipping rates from South Africa are favourable because of strong competition for cargoes returning to Japan. Also, much of the grain that Japan imports must be trans-shipped to local ports once it reaches Japan.

South African maize arrives in smaller ships which can unload entirely at local ports, thereby saving trans-shipment costs. Recently, the landed price of South African corn has been so favourable that feed manufacturers have begun replacing some US corn with South African supplies.

Additionally, much of the South African corn is ear-marked for industrial use and the Japanese corn-starch industry has preferred South African supplies because of its higher starch content, lower moisture and lighter colour, Mr Williams said.

These factors indicated that Japanese imports of South African maize were likely to increase in the current year.

Referring to wheat, he said the world output was forecast at a record 499 million tons.

Mr Williams said that while only five per cent of the world coarse grain output was produced in Argentina, Australia and South Africa, these countries were major competitors and swung factors in world coarse grain trade.

With record harvests in Argentina and South Africa, the US share dropped to 69 per cent in 1980-81 and may well be 66 per cent in 1981-82. Mr Williams said. — SAPA.

(5)

(3) Maize
RDM
9/1/82

Maize set for another record

By JOHAN BUYS

MAIZE exports from South Africa are all set to climb to a record high — for the second year in succession.

The Minister of Transport, Mr Hendrik Schoeman, said yesterday the expected export figure of 5 300 000 tons up to the end of June this year was 33 percent higher than the previous record of 3 600 000 tons in the 1980-81 season.

Opening the new R300 000 Delmas station complex, Mr Schoeman said the SA Transport Services — comprising the railways, airways, road transport, harbours and pipelines — were involved in just about every aspect of the South African economy.

As such, they were called upon to adjust, improve and extend their services to keep pace with industrial, commercial, mining and agricultural development and had succeeded to a large degree in meeting these demands and development.

The railways, with a turnover of R7 000-million a year, was the biggest undertaking of its kind in the southern hemisphere, the Minister said.

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Government's folly 3 maize FM 15/1/82



Last year, farmers produced more than double the quantity of maize needed to feed the country. Nonetheless, the local price is at a record high.

The enormous surplus is being exported at a lower price, which farmers claim will cause a "loss" of R300m. Predictably, they expect to make good this "loss" by asking for even higher prices this year and seeking further government subsidies and loans.

The latest bumper crop highlights the folly of government's policy of pandering to maize farmers at the expense of consumers and taxpayers. For maize farmers are a powerful bloc both geographically and politically. And there is an ever-present threat of their defecting from the National Party to the HNP.

The effect has been to encourage an over-

production of maize in the place of other agricultural products the country needs more.

While consumption has been static for the last six years at below 6 Mt/year, production has soared from 7.5 Mt to 14.2 Mt/year. At the same time, government subsidies on the maize price have risen to R74m this year, and the local millers' price has more than doubled. While the producer price of SA maize was lower than the producer price of US maize in the mid-Seventies, it is now higher.

Government has also recently lent the Maize Board a total of R140m to cover the costs of storage and transport to export markets.

Higher maize prices have had the ripple effect of increasing local prices of meat, dairy products, chicken and eggs. For half the maize consumed in SA is used as stock feed.

With the incentive of ever-rising prices, it is not surprising that farmers have in-

creased the area of maize-growing land from 3.4m hectares in 1956 to 4.7m hectares this year. Prices of maize farms are now at an all-time high. This says much for the attractions of the industry as well as putting yet further upward pressure on the price of maize itself.

Pastures which once supported livestock herds are now covered with maize. And farmers plant lands which produce as little as 1 t maize/ha when the country's needs could be grown on lands that yield twice as much.

Last year, SA imported 12% of its beef requirements, mainly from neighbouring states. With Botswana now supplying overseas meat markets, and future supplies from Namibia and Zimbabwe in doubt, local meat prices could rise even higher if the country has to shop from further afield. A lower maize price would encourage more farmers to switch to cattle breeding, and reduce the price of feed to cattle feedlot operators.



Surplus maize ... painful cutbacks needed

In the past four years, SA has been a net importer of dairy products. But dairy farmers, who are a far less powerful political lobby, are forced to bear increased costs of maize and other feed components, without being granted corresponding increases in their own prices. (See *Business*.) Many are now tempted to forsake dairy farming to enter the more lucrative business of adding to the maize surplus.

Fortunately, some of the more influential figures in agriculture have now publically acknowledged that the present system cannot continue indefinitely.

New Minister of Agriculture and Fisheries Pietie du Plessis has warned farmers not to count on continued government assistance in exporting maize surpluses. GM of the National Maize Producers Organisation Dr Pieter Gouws has called for a reduction in maize production. And president of the SA Agricultural Union Jaap Wilkens has said

In short, it would be political dynamite. But government could minimise the dangers of the explosion by introducing its reforms slowly.

A first step could be a phase-out of the present subsidies on maize (R74m) and wheat (R162m), coupled with price increases which do not cover the cost of the subsidies and reduce farmers' margins. This would no doubt enrage both farmers and consumers, but it would also have several long-term benefits.

Apart from easing the burden on the Exchequer and hence the taxpayer, it would eliminate the less efficient producers, especially amongst wheat farmers, and could lead to a redeployment of effort into other agricultural products.

It could also increase maize consumption. For bread is more heavily subsidised than maize and is a more expensive product. Poorer consumers are thus likely to switch from bread to less expensive mealie meal.

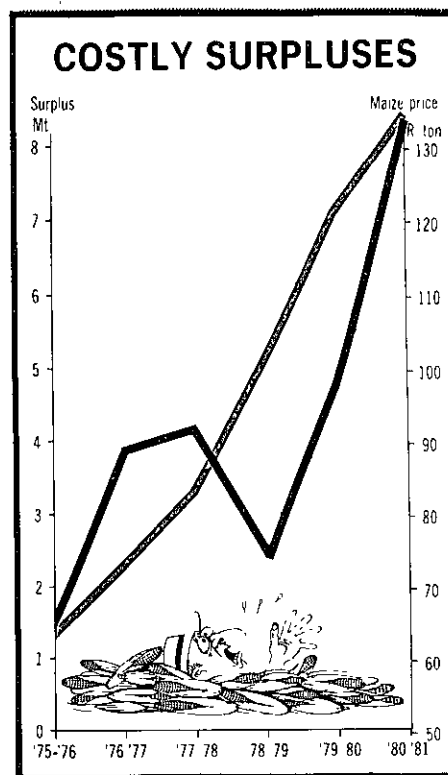
The social and political costs of such a move would have to be carefully weighed.

It would reduce future maize surpluses and the expense of storing and moving it to markets abroad. Thus, over time, the more efficient farmers who remain in the business would receive better average margins on maize sales without having to increase local prices.

It could cause a drastic reduction in wheat output, but bread prices would not rise because imported wheat is actually cheaper than locally-grown wheat.

Opponents of this argument claim that for strategic reasons, SA should be self-sufficient in wheat. But in the event of a wheat embargo, the country would not starve as there is more than enough maize to go around. And in a real emergency wheat production could be quickly re-established, and maize could be added to bread flour.

Another reform would be to allow exporters of beneficiated agricultural products to buy local maize at world prices. A similar



from such a scheme. For in spite of high feed costs, they already achieve some sales on overseas markets. They would fare even better if they could buy surplus maize for export chickens at its current export price.

It would increase profits and employment in the broiler industry, and reduce storage and transport costs to the Maize Board. One ton of export chicken meat brings in about R1 200. It takes two tons of maize to produce this meat, but two tons sold on the export market brings in only about R230.

In time this rebate on the maize price for agricultural exporters could also stimulate increased output and exports of meat and dairy products.

(3) Maize (244) E. Post 19/1/82

Maize farmers given Govt crutch

LAST year, farmers produced more than double the quantity of maize needed to feed the country. Nonetheless, the local price is at a record high.

The enormous surplus is being exported at a lower price, which farmers claim will cause a "loss" of R300 million. Predictably, they expect to make good this "loss" by asking for even higher prices this year and seeking further Government subsidies and loans.

The latest bumper crop highlights the folly of the Government's policy of pandering to maize farmers at the expense of consumers and taxpayers.

For maize farmers are a powerful bloc both geographically and politically. And there is an ever-present threat of their defecting from the National Party to the HNP.

The effect has been to encourage an over-production of maize in the place of other agricultural products the country needs more.

While consumption has been static for the last six years at below six million tons a year, production has soared from 7,5 million tons to 14,2 million tons a year.

At the same time, Government subsidies on the maize price have risen to R74 million this year and the local millers' price has more than doubled.

While the producer price of South African maize was lower than the producer price of American maize in the mid-1970s, it is now higher.

Government has also recently lent the Maize Board R140 million to cover the costs of storage and transport to export markets.

Higher maize prices have had the ripple effect of increasing local prices of meat, dairy products, chicken and eggs. For half the maize consumed in South Africa is used as stock feed.

With the incentive of ever-rising prices, it is not surprising that farmers have increased the area of maize-growing land from 3,4 million hectares in 1956 to 4,7 million hectares this year.

Prices of maize farms

CONSUMERS in South Africa are baffled each year by food price increases which seem to occur like clockwork every time there is a surplus. First it was eggs, and now it is maize. Because of the importance of maize as a stock feed, price increases have a serious ripple effect. The Financial Mail took a closer look at the maize industry. This is what it found:

are now at an all-time high. This says much for the attractions of the industry as well as putting yet further upward pressure on the price of maize itself.

Pastures which once supported livestock herds are now covered with maize. And farmers plant lands which produce as little as one ton of maize per hectare when the country's needs could be grown on lands that yield twice as much.

Last year, South Africa imported 12% of its beef requirements, mainly from neighbouring states. With Botswana now supplying overseas meat markets, and future supplies from SWA/Namibia and Zimbabwe in doubt, local meat prices could rise even higher if the country has to shop from farther afield.

A lower maize price would encourage more farmers to switch to cattle breeding, and reduce the price of feed to cattle feedlot operators.

In the past four years, South Africa has been a net importer of dairy products. But dairy farmers, who are a far less powerful political lobby, are forced to bear increased costs of maize and other feed components, without being granted corresponding increases in their own prices.

Many are now tempted to forsake dairy farming to enter the more lucrative business of adding to the maize surplus.

Fortunately, some of the more influential figures in agriculture have now publicly acknowledged that the

present system cannot continue indefinitely.

New Minister of Agriculture and Fisheries Pietie du Plessis has warned farmers not to count on continued Government assistance in exporting maize surpluses.

But curing the malady will require strong medicine for farmers and consumers alike. It could cause short-term price rises and an increase in rural unemployment among blacks and whites. Further depopulation of white farmlands on the borders could also result.

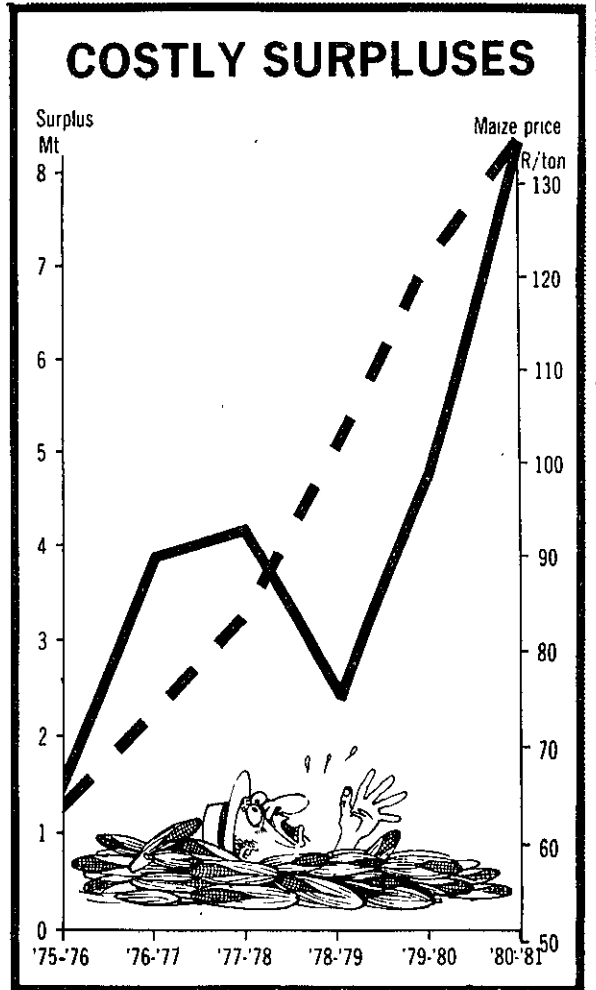
In short, it would be political dynamite. But the Government could minimise the dangers of the explosion by introducing its reforms slowly.

A first step could be a phase-out of the present subsidies on maize (R74 million) and wheat (R162 million), coupled with price increases which do not cover the cost of the subsidies and reduce farmers' margins.

This would no doubt enrage both farmers and consumers, but it would also have several long-term benefits.

Apart from easing the burden on the Exchequer and hence the taxpayer, it would eliminate the less efficient producers, especially among wheat farmers, and could lead to a re-deployment of effort into other agricultural products.

It could also increase maize consumption. For bread is more heavily subsidised than maize and is a more expensive prod-



uct. Poorer consumers are thus likely to switch from bread to less expensive mealie meal.

The social and political costs of such a move would have to be carefully weighed.

It would reduce future maize surpluses and the expense of storing and moving it to markets abroad. Thus, over a period, the more efficient farmers who remain in the business would receive better average margins on maize sales without having to increase local prices.

It could cause a drastic reduction in wheat output, but bread prices would not rise because imported wheat is actually cheaper than locally-grown wheat.

Opponents of this argument claim that for strategic reasons, South Africa should be self-sufficient in wheat. But, in the event of a wheat embargo, the country would not starve as there is more than enough maize to go around. And in a real emergency wheat production could be quickly re-established, and maize could be added to bread flour.

Another reform would be to allow exporters of benefited agricultural products to buy local maize at world prices. A similar practice is followed in industry, where manufacturers for the export market can buy locally-produced surplus steel for the same prices at which it is sold to overseas customers.

This cuts prices of their manufactured steel goods exports and boosts sales abroad without reducing average prices received by the steel mills.

Broiler chicken producers would benefit from such a scheme. For, in spite of high feed costs, they already achieve some sales on overseas markets. They would fare even better if they could buy surplus maize for export chickens at its current export price.

It would increase profits and employment in the broiler industry and reduce storage and transport costs to the Maize Board. One ton of export chicken meat brings in about R1 200. It takes two tons of maize to produce this meat, but two tons sold on the export market brings in only R230.

In time, this rebate on the maize price for agricultural exporters could also stimulate increased output and exports of meat and dairy products.

South Africa is one of the few net exporters of agricultural products. Output is rising more rapidly than population growth, so its importance to a world which has growing starvation will increase.

If Government progressively eliminated the controls and subsidies, a more rational use of agricultural land would result and output would more closely match demand patterns.

Farming would become more efficient and price rises would diminish.

Maize producers likely ³ to demand big price hike ^{Maize 1968}

Mercury Correspondent

PRETORIA—A clash between the Government and the powerful National Maize Producers' Organisation (Nampo) over the price for this year's crop is considered certain, according to Pretoria sources.

For the first time, too, the eight producer members of the the Maize Board are Nampo nominees.

They are certain to give unqualified support to the Nampo price recommen-

ation.

During price negotiations last year the board was dominated by the South African Maize Specialist Organisation (Samso), which has since been ousted by Nampo in the struggle to control the maize industry.

Nampo sources claimed at the time that Samso was taking political instead of economic decisions on the price of maize and 'working along with the Government'.

Last season the price of maize was fixed at R134 a

ton.

However, because of the huge surplus resulting from a record 14 million ton crop, and the certainty of huge export losses, big producer levies were imposed — R15 a ton on white maize and R18 a ton on yellow maize.

This meant that producers got no net increase in price, and there was an angry reaction from Nampo.

It is against this background that Nampo is expected to demand a big

increase in the maize price this year.

The Government, according to Pretoria sources, is certain to reject unreasonable price demands.

Maize, it was pointed out, is a key product. Not only is it an important cost factor in the meat, poultry and dairy industries, but a large percentage of the country's low income earners depend on it as a basic food.

A big crop is expected this year.

By GERALD REILLY

THE powerful National Maize Producers Organisation (Nampo) is expected to confront the Government with a demand for a price increase of about 25% for this year's R1 500-million crop.

Agricultural sources in Pretoria forecast a clash between the Government and Nampo if there is any attempt to make drastic cuts in the price recommendations presented next month.

Last year, with a Government-orientated Maize Board in control of the industry, farmer demands for a net price increase were rejected.

But this year, for the first time, the eight producer-members of the Maize Board are Nampo members, and Nampo sources say the organisation can count on the board to support its recommendations.

Maize chiefs set to demand stiff price rise

3 Maize
LOM 20/2/82

They pointed out yesterday that farmers were not compensated for increased production costs during the 1980-81 season.

Costs had continued to rise this season and farmers were determined to get full compensation for the two-year cost bite.

The price recommendations will be determined at Nampo's conference in Klerksdorp on March 18.

However, the Government is expected to resist a substantial price rise because of the serious inflationary effects this would have on food prices.

But Nampo's view is that the consumer should share some of the producer's burden on export losses.

In addition, a rash of price rises will follow fast in the wake of the steep rise in rail

tariffs and fares expected to be announced by the Minister of Transport, Mr Hendrik Schoeman, in his budget next month.

Although Mr Schoeman gave no hint of the extent of the increases in his part appropriation speech in Parliament this week, Pretoria sources are convinced he has no choice.

The plight of Railways

finances is reflected in the latest revenue figures for Railways, Airways and Harbours for the first nine months of the financial year, to the end of December.

For the nine-month period the deficit was more than R10-million. The budget estimate was a R32 899 286 surplus.

In addition, Mr Schoeman has to find R300-million for the 15% increases he has promised his department's 270 000 workers.

Government sources said the prices of commodities which constituted bulk cargoes — including sugar, coal, steel and steel raw materials — would be affected immediately by higher rates and industries could be expected to make urgent submissions for price adjustments.

The impact of the higher rail tariffs on prices will be aggravated further by the expected fuel price rise from April 1.

Write a précis of the following in one or two sentences, not exceeding 30 words.

5.4.1 Précis

5.4 Summary Techniques

The drawings of the house contain two areas where you feel substantial savings could be made. These are the main bathroom, which has specially imported sanitary fittings and furnishings based on a design the lady of the house saw in an American magazine, and the entrance hall, which has marble floor and wall linings imported from Italy. These two items are, however, special requests from the owner's wife. Tactfully suggest alternatives for these two areas. Make any other comments you feel would be appropriate.

- (i) the substitution of one-brick walls for the cavity walls shown on the drawings;
 - (ii) the substitution of steel windows for the aluminium windows on which your tender was based;
 - (iii) the substitution of stipple plaster walls internally for the skinned plaster walls shown;
 - (iv) the substitution of hollowcore internal doors for solid flush laminated doors;
 - (v) the substitution of softboard ceilings with timber cover strips for the flush plastered gypsum board ceilings shown.
- by the architect and you have now been approached by the owner with a list of suggestions as to how the figure could be brought down to within the budget he has planned for the house. Write to the client commenting on the savings he suggests. These are:

Rumanian barter deal may take care of maize export losses

Star 11/2/82 (3) Hays

By Hannes Fergusson

A giant barter transaction may largely wipe out South Africa's R300 million maize export losses.

The National Maize Producers' Organisation (NAMPO) scored a breakthrough in maize exports by selling most of the unsold maize surplus to Rumania, according to informed sources.

The price would be roughly on a par with the domestic levels.

Rumania is known to need maize urgently because Russia cannot supply its needs.

Russia has already bought up the entire

Argentine maize export crop leaving South Africa the best potential supplier outside the United States.

But there is a catch. Rumania wants to pay by selling fertiliser.

The sources said that the Rumanian product might be largely a modern type of phosphate and nitrogen not yet extensively manufactured in South Africa.

The price is said to be lower than what is sold here.

Fertiliser industry sources said it had been suggested that the two large South African manufacturers,

Fedmis and Triomf, should form a consortium to market the Rumanian fertiliser through their combined sales organisations.

The two firms recently announced that they were considering a merger.

Generally however, the industry is known to take a dim view of the effect Rumanian fertiliser would have on the South African market.

Sentrachem, the owners of Fedmis, have already announced they would not proceed with a R400-million nitrogen project because prices were too low to

make it pay.

Maize farmers pointed out a large part of South Africa's fertiliser requirements in any case were imported.

Accommodating Rumanian imports would to some extent only mean the switching of suppliers. They also say that importing Rumanian fertiliser would limit maize price increases and be anti-inflationary.

The last word will have to be with the Minister of Industries, Trade and Tourism, Dr Dawie de Villiers. He will decide whether to issue the necessary import permits.

particulars.
Hansard
Maize Board/Republic of China: export of
Q. Col. 120-121 maize 17/2/82
*17. Mr. R. W. HARDINGHAM asked
the Minister of Agriculture and Fisheries:
Whether a contract for the export of

maize was recently negotiated between the Maize Board and the Republic of China; if so, (a) when, (b) for what period and (c) for what price per ton of maize?

†The MINISTER OF TRANSPORT AFFAIRS (for the Minister of Agriculture and Fisheries):

Yes.

(a) 9 February 1982.

(b) 3 years from 1 June 1982.

(c) The price is determined monthly according to the weighted tender price realized by the Board for maize for export during that particular month.

the storage pond, but it would be feasible. You make some quick calculations.

Size of storage pond required: 120,000,000 gallons
Size of outfall sewer to river: 24 inch diameter

To evaluate the ideas so far you work up some cost estimates:

- a. Cost of installing storm sewer system throughout Cayman Flats \$487,000
- b. Cost of 96 inch diameter storm sewer along railway line from Cayman Flats to Wabagoon River \$672,000
- c. Cost of 24 inch diameter storm sewer over same route \$427,000
- d. Cost of purchasing zone S-17, excavating a 120 million gallon storage pond and fencing it, and building an automatic pump house and pump system \$321,500
- e. Pump house annual maintenance and operating costs \$ 3,500

At this stage you feel your problem has been resolved and you have a reasonable proposal to offer Fairview Development Company. Your report is almost finished before another obvious and logical idea occurs to you: If you are going to control the flow of water into the outfall storm sewer, why not control it even further and pump the stored stormwater into the existing 24 inch storm sewers of zone S-5? You would have to wait until the stormwaters from S-5 had been fed into the river, but this would be no problem because you have planned an oversize storage pond that could hold the water from the heaviest storms recorded during the past 30 years. All you would have to do is obtain municipal approval and build a 24 inch sewer from the pump house beside the pond to one of the storm sewers in Zone S-5 (see sketch).

WRITE TO THE CITY ENGINEER, MR G. PATTON, ASKING FOR PERMISSION TO BUILD THE 24" SEWER.

After three weeks you receive permission from the City Engineer and then calculate one more cost:

f. Cost of building a 24 inch storm sewer from the pump house in zone S-17 to southeast tip of zone S-5, and connecting it to the storm sewer in zone S-5 \$ 82,000

You are now ready to prepare your report for Fairview Development Company, and you will probably also find evidence that the proposal problem. You are addressing readers are likely

WRITE THE REPORT

The City Council processes concern at Development Institute for the following

D. Dispatch
Romania denies SA maize deal
19/2/82

LONDON - The Romanian Government has strongly denied suggestions that it is negotiating a substantial ammonia-for-maize barter deal with South Africa.

Reports that such a deal was in the offing have appeared in South African newspapers, apparently in response to leaks from the South African Government.

In conformity with its political opposition to South Africa, "Romania has no political, diplomatic, economic, cultural or any other kind of relations with South Africa," the Romanian embassy here said in a communique.

Mr Hennie Nel, general manager of the Maize Board has confirmed, however, that a barter deal with an unnamed country is still under negotiation. DDC

project but excluded for S-17. Fairview construction companies

end to use it. They City of Montrose as he stormwater disposal that although company, the ultimate the City of Montrose.

You are now ready to prepare your report for Fairview Development

MAIZE ³ maize
Mealies and manure

FM 19/2/82

Farmers are expected to press for a rise in the maize producer price to at least R134/t, net of levies, this April. Meanwhile, the Maize Board is still struggling to find buyers for the rest of the 5,3 Mt surplus from

tails of their last visit remain a secret. However, it certainly obtained the basis of a barter agreement to swap maize with an Eastern Bloc country, probably for 200 000 t of nitrogenous fertiliser and probably with Rumania. The barter may be a wise decision in view of Rumania's foreign debt of R10 billion, although the quality of the product is presumably yet to be established. However, it still leaves the original plan to carry forward stocks as low as 3,5 Mt somewhat ambitious, even though SAR has in theory a capacity to move up to 6 Mt in a given year.

last year's crop which SAR has agreed to take to the ports by 30 June this year.

The large number of tender refusals by the Maize Board during last November have left the railways with a backlog in their transport programme of over 163 000 t of maize. This follows requests from the board that SAR reduce its January quota by about 70 000 t because there were not enough vessels available at the ports. Indeed, there were some days when there were no vessels at all. Unfortunately, if the backlog is further exacerbated the railways will be unable to meet the target, and carry-over surplus stocks could well exceed 4 Mt.

While it is understood the board has sent yet another delegation to Europe, the de-

Crawford von Abo, chairman of the Maize Board, had no comment to make as regards the backlog. When asked about the swap deal, he said: "I will have comment when it's necessary." Certainly, the barter arrangement will be a major departure from the normal way of conducting foreign trade, and it clearly points to the challenge that faces government in getting rid of its maize surplus. At the same time, the authorities are not too concerned with whom it trades — for the same reason.

Although the importation of fertiliser is a fairly regular thing, the 200 000 t deal will, in fact, increase expected receipts by about 135%. This will be equivalent to 20% of SA production, but provided its distribution is phased over a two-year period it should not overly disturb local industry, especially as

it expects a shortfall. In the short term, the unfortunate explosion at the Fedmis Milnerton plant at the beginning of January has curtailed production. While it will take six months to bring the plant back into operation Fedmis will have to buy half a year's supply, amounting to some 40 000 t.

Further barter would be acceptable provided they also matched shortages. Otherwise, a reduction in home production will result which would interfere with government's desire for self-sufficiency from a strategic point of view.

Of course, the stuff is needed only as long as the crops are successful. Several growing areas have been affected by adverse weather conditions to such a degree that a below average maize crop is expected for this season: around 7,5 Mt. This compares with last year's record crop of 14,2 Mt. Even so, it assumes satisfactory rainfall for the rest of the season up to the end of April. Areas in northern Natal and eastern Transvaal have been adversely affected, while farmers in northern Transvaal, for example, are feeding maize to cattle following drought conditions. If these conditions continue, a disastrous crop could result with a yield as low as 3 Mt.

The financial losses resulting would cut demand for fertiliser next year considerably. As it accounts for almost a third of maize production costs, only good climatic conditions at the start of the next growing season will encourage farmers to take loans out for fertiliser.

This could be a mixed blessing for a government currently short of buyers, but concerned about future supplies. The problem is, of course, a thorny one, with farmers demanding large increases on the one side, the Maize Board trying to get rid of surplus on the other — while the taxpayer forks out at both ends.

Maize producers seek 25 percent price hike

③ Maize

Mercury 20/2/82

Pretoria Bureau

THE powerful National Maize Producers Organisation will confront the Government next month with a price increase demand of about 25 percent for this year's R1 500 million crop, it was learned in Pretoria yesterday.

Last year with a Government-orientated Maize Board in control of the industry, farmers demands for a nett price increase were rejected.

Nampo sources pointed out yesterday that farmers got no compensation for increased production costs during 1980-81.

It was pointed out that for the first time the eight producer members of the Maize Board are Nampo members, and that Nampo can count on the board to support it.

Conference

Agricultural sources in Pretoria forecast a clash between the Government and Nampo if any attempt is made to make drastic cuts in their price recommendations.

The price recommendations will be determined at Nampo's conference in Klerksdorp on March 18.

Although this represented a price rise, because of the huge surplus

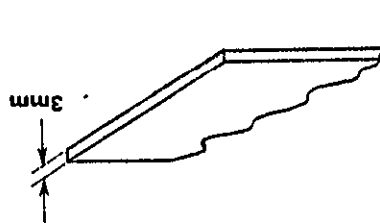
from the record 14 million ton crop, heavy levies were imposed to counter the huge losses expected on maize exports.

Farmers had to pay a levy of R15 a ton on white maize and R18 a ton on yellow maize, which meant the increase in the gross price was wiped out.

The Government is expected to resist a substantial price rise because of the serious inflationary effects this would have on food prices.

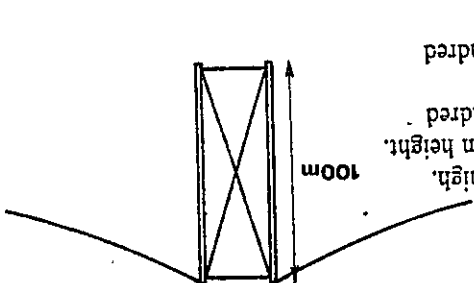
Nampo's view is that the consumer as well as the producer should be made to carry some of the losses suffered on exports.

(e) depth Depth is usually measured vertically downwards from a surface. This surface is often ground level or the surface of a liquid.



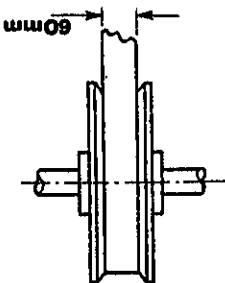
We can describe the thickness of this steel sheet in three ways:
 The sheet is three millimetres thick.
 The sheet has a thickness of three millimetres.
 The thickness of the sheet is three millimetres.

(d) thickness



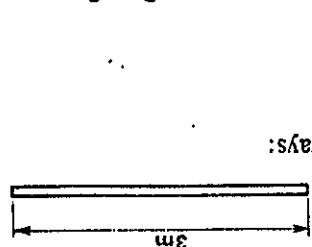
We can describe the height of this support tower in four ways:
 The tower is a hundred metres high.
 The tower is a hundred metres in height.
 The tower has a height of a hundred metres.
 The height of the tower is a hundred metres.

(c) height



We can describe the width or breadth of this driving belt in four ways:
 The belt is sixty millimetres wide/broad.
 The belt is sixty millimetres in width/breadth.
 The belt has a width/breadth of sixty millimetres.
 The width/breadth of the belt is sixty millimetres.

(b) width or breadth



We can describe the length of this bar in four ways:
 The bar is three metres long.
 The bar is three metres in length.
 The bar has a length of three metres.
 The length of the bar is three metres.

(a) length

linear dimensions A linear dimension is one which we can measure in a straight line.

Study the diagrams and memorize the examples.

Language of measurement: Basic metric units

Maize Board boss slams Govt over Richards Bay

FINANCE EDITOR

ANOTHER side-swip at the Government for not having developed Richards Bay into a maize exporting port was taken this week by Crawford von Abo, chairman of the Maize Board.

He pointed out that while maize exports this year earned the country R650-million in foreign exchange, it could have been as much as R1 100-million if Richards Bay had been able to handle the total exportable surplus.

He said South Africa's harbours are not suitably placed for the export of maize and this needed the immediate attention of the authorities. Railage costs for exports through Cape Town reached R3,6-million more this year than it would have been via East London.

Von Abo pointed out that ore exports last year through Saldanha Bay earned the country only about R200-million.

"This year the maize industry earned the country more foreign exchange than Saldanha has since it came into existence. Why then cannot the same attention not be given to Richards Bay," he said.

On the maize-fertiliser barter transaction, Von Abo said it could herald the beginning of a new era where barter trading in agricultural products could reap great benefits.

The latest agreement could save the country R30-million in fertiliser inputs, depending on who handled the transaction—the co-operatives or the Fertiliser Society.

R625-m

maize ³

22/2/82 Maize
loss

Star
looms

By Hannes Ferguson
Farming Correspondent

Because of continuing drought in maize-growing areas, farmers are suffering staggering losses.

In the course of five days maize crops estimates by grain co-ops have dropped by 10 percent to only 65 percent of last year's crop or just over 9 million tons.

This represents a loss of R625 million which is increasing by the day.

Some Transvaal districts have had localised showers, but in the eastern Transvaal the stage has been reached where even good rains would make no difference any more.

According to the Weather Bureau there is no prospect of more than a few isolated thunderstorms.

The general manager of the National Maize Producers Organisation, Dr Pieter Gouws, said in Bothaville today that a few years ago 10 million tons would have been an excellent crop but maize growing technology had made much progress.

Last year's record crop of 14 million tons was no freak but represented a peak season in a steeply rising production trend.

What would have been an average crop in 1977 would represent almost a crop failure today.

By contrast sunflower fields were not yet showing much drought damage, but because of diseases that are hard to cure less sunflower than in previous seasons had been planted.

Maize bound for secret destination

③ Maize
E. Post
2/23/82

Post Reporter

THE first large consignment of maize to be shipped from Port Elizabeth in 10 years is ready for loading — but no one is saying where it is going.

Totalling almost 6 000 tons of prime Northern Free State grain, the consignment is definitely not destined for Rumania, a spokesman for the Maize Board has said.

In Parliament last month talk of plans to clinch a major maize-for-fertiliser deal between South Africa and Rumania had a mixed reception.

After 13 days of negotiation between the chairman of the Maize Board, Mr Crawford van Abo, and the Government, the Maize Board was given the go-ahead to trade off its surplus maize for 200 000 tons of Rumanian fertilizer.

The general manager of the Maize Board, Mr H Nel, said they had an agreement with South African Transport Services to export 10 000 tons of bagged maize through Port Elizabeth.

Mr Nel said there was a limited market in the Middle East and other countries for bagged maize.

He would not disclose the destination of the maize, saying it would not be in the South African interest to let it be known.

"Only the exporter knows and I don't think he will say. In any case, one can't judge by the bill of lading. The origin and destination can change en route," he said.

Asked if the maize was destined for Rumania, Mr Nel said: "It is all hogwash. It is being exported to a foreign country and that's all."

(3) Hays
Nov 23/2/82

Romania denies deal

LONDON. — The Romanian Government has denied strongly suggestions that it is negotiating a substantial ammonia-for-maize barter deal with South Africa.

In conformity with its political opposition to South Africa, "Romania has no political, diplomatic, economic, cultural or any other kind of relations with South Africa", said the Romanian Embassy in London in a communique.

The communique, released after embassy consultations with Bucharest, says Romanian economic agencies have no business ties with South Africa and are not engaged on any import or export business with that country.

The denial comes against the background of South Afri-

can speculation that Mr Henrie Nel, general manager of the Maize Board, has been in Romania and the established fact that South Africa has bought chemicals from Eastern bloc countries in the past. Mr Nel has confirmed, however, that a barter deal with an unnamed country is under negotiation.

Romanian officials said Mr Nel had never been to Romania and that there had been no negotiations for an ammonia-maize deal. Nor would there be, they said. — Financial Times.

SOLUTION TO:

(1) Premiums

01, Jan 1:

Reports that such a deal is in the offing have appeared in Afrikaans newspapers published in Johannesburg and Cape Town. The newspapers were apparently responding to leaks from the South African Government.

300

<u>Dec 31:</u>	Income Statement	300	
	Insurance Expense		300
	being closing entry		

Years 02 and 03 - same as 01

<u>04, Jan 1:</u>	Insurance Expense	300	
	Bank		300

<u>Jan 2:</u>	Debtor (Insurance Company)	24 000	
	Income from Life Policy		24 000
	being accrual of proceeds receivable		

<u>Jan 2:</u>	Income from Life Policy	24 000	
	Income Statement		24 000
	being closing entry		

<u>Jan 2:</u>	Income Statement	300	
	Insurance Expense		300
	being closing entry		

<u>Jan 31:</u>	Bank	24 000	
	Debtor (Insurance Company)		24 000
	being receipt of proceeds		

(2) Premiums Treated as an Asset

<u>01, Jan 1:</u>	Life Policy	300	
	Bank		300

<u>Dec 31:</u>	Income Statement	300	
	Life Policy		300
	(Surrender value of policy is zero - therefore no amount can be capitalised)		

Continued/

MAIZE CROP

Praying for drought

3 maize
FM 5/3/82

Although the first official estimate is not yet available, National Maize Producer Organisation economist Kit le Clus has opened the batting for the mealie farmers with a well-publicised crop prediction of 8,1 Mt. Over the telephone, Maize Board GM, Hennie Nel, agrees that the crop will be well below last year's record of 14,2 Mt, but he refuses to discuss figures.

"The weather over the next eight to ten days will be critical," he says. "All I can say at the moment is that the recent drought has already knocked a third off what began as a promising crop. The farmers need rain now to stop that loss becoming worse."

Other observers to whom we have spoken seem to think that 8 Mt is a fair estimate. That figure will put the crop below the long term trend. Growers are, therefore, expecting to be compensated with a hefty price rise at the April fixing.

On precedent, their case is a good one. In classic contradiction of the laws of economics the price is theoretically based on the cost of production. Growers will argue, correctly, that it has not kept pace.

Thanks largely to SA's policy of self-imposed economic sanctions, the maize farmer now pays exorbitantly for his tractors, his fuel, his fertilisers and his spray chemicals. His inputs have escalated by more than 30% since he last had a rise in the net producer price. Although the local consumer price was hiked last year, the money raised has all been used to subsidise exports. Net producer prices have remained constant at R118,25 for white maize and R115 for yellow for two whole years. Last year the Minister told growers they would have to share the bounty of a record crop with the rest of the country. This year he will be hard pushed to explain why the country cannot afford to share the cost of

the drought.

The real explanation is fairly simple: the producer and local consumer prices have been pitched too high for the last six years. We now produce enormous surpluses which can only be exported at a loss. Last year's bumper crop left us with a 7 Mt surplus. Some 5 Mt will have been exported by the Maize Board by the end of April at an average loss of more than R50/t.

Roughly half of the quarter billion rand deficit on export account has been recouped from local consumers by forcing them to pay through their noses for their putu and their livestock feed. Some has been recouped from the taxpayer in the form of direct subsidies for transport and storage. The rest has been borrowed, largely at artificial rates of interest, from the Land Bank and government.

The Maize Board is not prepared to discuss sensitive figures, but it seems prob-

able that it will carry over to the new year a stock of 4 Mt of over-valued maize, plus a deficit in the vicinity of R100m on stabilisation account. This year domestic sales have increased by more than 6% to 6,2 Mt, following two years of decline. Black consumers are still switching from over-priced mealie meal to subsidised bread, but buoyant meat and dairy prices have boosted livestock consumption.

Next year's offtake should be marginally higher. Even so, the Board will still have a large surplus on its hands. Assuming an 8 Mt crop and a 4 Mt carry-over, it will probably want to export 4 Mt during the coming year. That would bring stocks down to a more manageable 2 Mt by April 1983 when next year's (better?) harvest will begin coming in. Unless the government is rescued from the horns of its surplus dilemma by an intensification of the drought, it is difficult to see how it will be able to justify anything more than a token increase for the growers. Even if he leaves the producer price where it is for a third successive year, Agriculture Minister Piet du Plessis will be hard pushed not to deepen the deficit on stabilisation account.

In view of the current state of central government finances, Finance Minister Owen Horwood will be reluctant to come to the rescue. The maize industry is already costing him over R72m/year in subsidies, while its Board and the Land Bank are playing havoc with his monetary policies.

Du Plessis could try repeating last year's



Maize farmer ... then came the drought

ploy by forcing local consumers to prime the stabilisation fund even faster. But that trick has already been overplayed and could easily backfire. Stock farmers (who outnumber mealie producers by more than two to one) are already furious with the government. Why should they be plundered to bail out profligate maize producers? It is neither fair of government, nor sensible, to continue penalising local stock farmers in order to subsidise their foreign competitors. The government knows that. And it

knows what it ought to do in order to restore justice and sanity.

As usual the Board, the producer unions and the consumer lobbyists will agonise irrelevantly about the cost of inputs and the rate of inflation. But the final say will rest with a Cabinet which has one eye on the national accounts and the other on the next election. For the last four years the high gold price has allowed the Cabinet to close its economic eye and smile sweetly upon the maize triangle through its electoral monocle. This year it won't be able to do that. There is no money in the box. And 22 wavering Nationalist MP's have just demonstrated that a high maize price does not secure platteland loyalty.

Significantly, one of the NP rebels was Ben Wilkens, the member for Ventersdorp. Until he was deposed by the mealie farmers, following the merger of Sampi with Samso, Wilkens had served for six years as chairman of the Maize Board. Those were the years during which the Maize Board got itself into its current muddle. When Wilkens took charge, the board had R70m in its stabilisation fund. Instead of keeping it for the bad years (which is what it was meant for) he supervised its distribution in the form of supplementary payments to producers. Wilkens has now changed his mind about the party split and ducked back into the fold. That's undoubtedly the safest place for him. Had he remained beyond the pale, he would have been a useful scapegoat. Who else can government blame?

Maize farmers seek price hike

③ Maize. NAM 6/3/82

MAIZE farmers are expected to demand a 25% price increase for this year's drought-devasted crop at the annual congress of the National Maize Producers Organisation (Nampo) in Klerksdorp on March 18.

The congress will be opened by the Prime Minister, Mr P W Botha — his first public appearance outside Parliament since the Treurnicht defections from the National Party.

Although it is not a political occasion, Nampo members expect the Prime Minister to make some reference to the split to an audience which, they say, "represents a politically important and influential section of platteland Afrikaner Nationalists".

Other Ministers, including the Minister of Agriculture, Mr Piet du Plessis, the Minister of Police, Mr Louis le Grange and the Minister of Industries, Commerce and

Tourism, Dr Dawie de Villiers, have been invited to the congress.

The congress will stress a number of important reasons why a big price rise is imperative. These will include:

- The 1981-1982 crop may be only half of last year's record 14,2-million tons.

- Drought losses could exceed R700-million.

- Farmers have had no increase in price for two years. During this period, their living costs have increased by more than 25%;

- The crippling hike in Land Bank lending rates. Rates have doubled in the past twelve months.

A Nampo source said farmers were in a militant mood. They anticipate Government resistance to an "adequate" price rise because of the rundown state of the economy and the widespread ripple effects of a big price hike on food prices.

Maize may get R35 m boost through sugar rise

Mercury 6/3/62
3 Haing
3

Mercury Reporter
THE increase in the price of sugar could mean a R35 million boost to the maize growing industry as soft drink manufacturers threaten to look to alternative sweeteners.

Mr J H Viljoen, president of the Federation of South African Soft Drink Manufacturers, said while there would be no immediate rise in the price of soft drinks, the 12 percent increase announced by the South African Sugar Association had pushed the price of sugar to the point where it was viable to seek alternative sweeteners.

He said that the soft drink industry was the biggest buyer on the domestic market, using 80 000 tons of sugar a year at a cost of R35 million.

The R50-a-ton increase for sugar meant an extra bill of R4 000 000, but this excluded the rise in transportation costs which added R245 to every truck load needed to transport sugar to the Transvaal, where most manufacturers were situated.

He said the industry was no longer able to absorb these costs, and was considering using high fructose corn sugar, a

sweetener which was synthesised from high starch maize.

Mr Viljoen said the manufacturers were also dissatisfied with the manner in which sugar prices were implemented for the whole of the country from Natal.

Decision

The general manager of the Sugar Association, Mr Peter Sale, said if the soft drink industry stopped buying sugar it would have a great effect on the sugar industry.

'It would have to be their decision. I cannot say it would be likely that we would decrease the price of sugar for the soft drink industry if we find we were going to lose them, without knowing all the facts involved. We would have to consider local consumers and other industries.'

'The soft drink industry does not get an industrial price for sugar as we consider the price to be fair already,' he said.

The chairman of the South African Chocolates and Sweets Manufacturers, Mr Arnold Zulman, said the combination of the sugar increase, rail increases and 10 percent import surcharge would

make the increase of the price of sweets and chocolates inevitable.

As there is no price control in the sweet industry, (as is the case with soft drinks), the increase will depend on individual manufacturers.

Outside of domestic and export consumers who used 71,38 percent of the local market, soft drink manufacturers took 8,64 percent, with sweet makers 5,86 percent, food processors 3,18 percent and sundry users like brewers and liquor makers, the rest.

Most were less quick to react to the sugar increase than the soft drink manufacturers.

A spokesman for the Fruit and Vegetable Canners' Association and the secretary of the Durban and District Master Bakers' Association, Mr C A Z Pierides, said it was too early to comment.

POLITICS

Govt appoints inquiry into port maize facilities

2/24

*3 Maize
D. Plessis*

9/13/82

From BARRY STREEK
CAPE TOWN — The call for additional maize export facilities at Richards Bay is to be investigated by a government committee of inquiry.

At present, East London is the only maize export harbour in South Africa but the Maize Board has made representations for the construction of a new grain elevator at Richards Bay.

This move has led to protests from the East London City Council and industry who fear that the move will have a detrimental effect on both the harbour there and confidence in the area.

Yesterday, the Minister of Agriculture, Mr P. T. C. du Plessis, announced the appointment of a committee of inquiry under the chairmanship of Professor Reinecke, Director of the Institute for Industrial Engineering at the University of Stellenbosch.

The committee, Mr Du Plessis said, had been appointed to conduct a comprehensive inquiry into the existing struc-

ture and future extension of grain silo facilities both inland and at export harbours.

In a statement, issued with Mr Du Plessis's announcement, the Department of Agriculture said that as a result of the sharp escalation of costs, the need for sufficient bulk handling facilities and limited funds, an urgent investigation was considered imperative.

The committee would investigate:

- The present structure of the grain silo industry;
- The long-term requirements for bulk handling facilities;
- The location of silos;
- The nature and extent of the transport requirements;
- Financial implications.

The department pointed out that the present available grain silo capacity at agents of the Maize Board, the Wheat Board and the Oilseeds Control Board was almost 12 million tons

Silo capacity of two million tons was in the process of erection and a further three million tons of silo capacity was re-

quired for the period until 1985.

The existing silos had cost R321 million, but the cost per ton of silo capacity had increased sharply from R31 per ton in 1979 to R68 per ton in 1982.

"It is expected that this cost will, according to a conservative estimate, be in the region of R90 per ton in 1983," the department said.

The committee will inquire into "the location and capacity of existing silos and associated transport services, as well as the extent to which the system is adequate" as well as the anticipated short-medium- and long-term needs for grain silo capacity.

Among the issues the committee will have to investigate will be export outlets.

It will have to decide whether East London's grain elevator should be extended or a new one constructed at Richards Bay or any other harbour in South Africa.

In his statement, Mr Du Plessis said the committee's report and recommendations were expected before the end of 1982.

Drought halves maize crop - farmers ruined

③ Maize
Star 9/3/82

By Hannes Fergusson,
Pretoria Bureau

The drought has cut the maize crop by more than half and many farmers are expected to be forced off the land.

The latest estimate of the yield is a mere six million tons, compared with last year's bumper crop of about 14 million tons. On this estimate farmers are set to lose about R1 000 million.

In the western Transvaal recent rains have brought relief and some farmers may still benefit if further good rains fall.

But grain-handling co-ops feel on the whole the damage has been done and the final crop will not be much better than the present estimate.

Many farmers could find themselves at the end of the road. Crippling interest rates would make it impos-

sible for them to carry on, even if the co-ops could tide them over until next season.

Maize prices during the last two bumper harvests were not high enough for farmers to build up reserves.

A spokesman for the National Maize Producers' organisation in Bothaville said the plight of the maize farmer would be discussed at length during the organisation's next congress. The Prime Minister, Mr P W Botha, will open the congress at Klerksdrop on March 18. Hopes are high that he will bring good news to the stricken maize industry.

Agricultural economists said today that if many farmers were forced to sell, land prices might drop sharply. Confidence in the future of the maize industry was already

shaky and commercial banks could ask for additional security for overdrafts.

If the new maize price did not restore confidence by means of a hefty increase, South Africa would lose the advantage of having a large maize surplus for export.

Economists added the Government had short-sightedly treated last year's record maize surplus as an embarrassment and had tried to discourage maize production by maintaining a low producer price.

But the dramatic fall in the gold price had shown South Africa could not afford to forego opportunities to earn foreign exchange. A high maize price increase might be inflationary, but this could be counteracted by granting agriculture export benefits such as those in industry.

A grain of sense for South Africa

Last week The Star reported that Russia is seeking 42 million tons of North American grain. Graham Baker describes the possible implications.

Mandy
Star
10/3/82

It is always a risky matter to claim that a particular year or event was a watershed in a historical sequence, especially one as complex as international agriculture. However, it has become possible to believe that the Soviet Union's massive purchase of American surplus grain in 1972 had a severely destabilising effect on not only farm prices but, indirectly, on agricultural productivity in those countries of the Third World where the prospect of famine is most serious.

Thus, the forecast that the Soviet Union later this year will seek to purchase up to 42 million tons of North American grain, a world record, to make good its latest run of bad harvests, has ominous implications for food prices and supplies.

Today, Asia, Africa, Eastern Europe and Latin America all import grain on a large scale, and are supplied by just two sources of any significance, North America and Australia/New Zealand.

In 1980, the latter's export trade in grain amounted to 131 million tons, and 19 million tons, respectively.

This evolving state of affairs has come to affect quite dramatically one measure of world food security, the magnitude of reserves in terms of days of world

consumption. In 1960 this was about 100 days, in 1975 about 75 days, and is today estimated to be no more than 40 days.

One reason for the profound change in agricultural fortunes is the increase in productivity of the American farm worker. In 1900, he grew enough food to supply seven others; today that figure is nearer 70, 20 of whom live, and might otherwise go hungry, abroad.

The dark side of recent trends arises from such factors as pressures of population growth and associated urbanisation, agricultural mismanagement on a large scale, the conversion of cropland to non-farm uses, and the loss of soil fertility through erosion.

Since North America's importance is crucial, it is instructive to see how things look there.

The amount of idle cropland was reduced

to zero in 1980 — this factor had previously been used as a buffer, to be held in reserve in response to the varying international calls for surpluses.

A growing volume of grain is being fermented to motor fuel in gasohol distilleries. Nearly 4 million hectares (out of a total of 170 million) of prime cropland was converted to non-farm uses in the 1970s.

A more subtle trend is the loss of soil fertility which follows from the continuous cropping of maize and other row crops in place of traditional rotational cropping.

This is illustrated by the results of a Missouri agricultural research station, which showed that land planted to a sequence of maize, wheat and clover lost less than 7,3 tons of topsoil per hectare per year through erosion. Comparable land planted continuously to maize lost nearly 49 tons.

New soil is formed by natural processes to an extent of 5-12 tons. Overall estimates are that up to 40 percent of American cropland is suffering a net loss of topsoil from current farming practice (Nearer to home, estimates are that kwaZulu loses 200 million tons of topsoil to the sea each year.)

A remedy would be to revert to rotational cropping, but in the short term this would significantly reduce output and incomes. Farmers are therefore unlikely to adopt erosion control measures unless the government provides the necessary financial incentives to avoid the bankruptcy that would otherwise follow in many cases.

It might be argued that, notwithstanding the handwringing of the pessimists, agricultural yields have risen steadily and impressively for the past 30 years. This is so. (Although in Africa, in

the seventies, per capita grain production fell 14 percent.)

By the use of higher-yielding hybrids, fertiliser and expanding the irrigation of dryland areas, the average hectare planted to cereals now produces nearly 1.9 tons whereas in 1950 the yield was scarcely more than one ton. However, the rate of productivity increase has fallen substantially in recent years, and the gap between output and population growth is narrowing.

The lesson for a comparatively successful agricultural country like South Africa is obvious. No effort should be spared in bolstering agricultural efficiency where it exists and in providing the capital and expertise to improve it where it is not to be found, which is conspicuously in the black rural areas.

The kind of land-use surveying and planning being undertaken by Pietermaritzburg's Institute of Natural Resources on behalf of kwaZulu should be a blueprint for the country as a whole.

★ Dr Graham Baker is the editor of SA Journal of Science.

Science

New hope in cancer fight

The molecular structure of the last of the three main types of interferon has turned out to be very distinct from that of the other two, raising hopes that gamma interferon will be better able to fight viral disease and cancer than either of its stablemates.

The relatively impure gamma interferon so far available has, in some laboratory tests, seemed to be more active in halting the growth of cells than either alpha or beta interferon.

Furthermore, gamma

thesda, Maryland.

Using genetic engineering, they have obtained both bacterial and mammalian cells which can produce gamma interferon while growing in continuing culture. They have also been able to deduce the molecular structure of gamma interferon for the first time.

The structure directly determined by Dr Goeddel and his colleagues is that of the message which passes from the genes of gamma interferon to the machinery of lymphocytes that

The way Mr Nigel Mandy puts it you would wonder that Johannesburg is not in a state of anarchy. In a sense it might be in a far worse state — so over-regulated that it has no definable guiding hand.

Mr Mandy, a man who has done more to rivet the public's attention on the problems of this city than anybody else, is now busy putting final touches to what should be a highly controversial two-day conference on the future of greater Johannesburg. The conference (on March 22 and 23) takes the form of two separate days organised by two separate bodies.

The first day will discuss Johannesburg — in its metropolitan context — organised by Mr Mandy's group, the Central Business District Association (CBDA). Keynote speaker will be

Johannesburg and the fu

Planners, engineers, officials and a top expert from the United States meet in Johannesburg in two weeks to discuss metropolitan government for the inner Witwatersrand. James Clarke reports.

(the provincial administration). But it was just this idea that triggered the conferences. Mr Mandy is adamant on the issue — the 12 towns that cluster around Johannesburg should have an

this complex are largely managed by the Department of Community Development.

● Government of the black residential areas of this region fall under inexperienced commun-

③ May 10/3/82

Farm survey's grim findings

Mall Reporter

DROUGHT in the Transvaal had reached a critical stage where even if it rained now heavy crop losses were inevitable according to a survey carried out this week by the Transvaal Agricultural Union (TAU).

Crop estimates in most of the province are down to 50% of last year's harvest.

The survey divides the province up into regions: In the Lowveld the cotton

crop is at a critical stage and even if it rained the sugar cane crop would be hard hit. The Komati River is dry.

In Letaba the drought has forced stock farmers to search for alternative grazing and even irrigation water from dams — which in the past could always be relied on — is running out.

In the north-western Transvaal — west of Lichtenburg — "there will be no harvests". East of the town har-

vest estimates vary between 50% and 60%.

In the Magaliesburg dams are half empty, but rain could still save pastures.

In the Eastern Transvaal February was the driest month in more than 20 years.

In the south-western Transvaal there is still hope in some parts. Rain would benefit late mealie and sunflower crops.

In the Northern Transvaal the Spingbok Flats have been heavily damaged.

(3) Money
12/3/82

Farmers expected to lose R900m

By GERALD REILLY

A DROP of R900-million was expected in the income of summer grain producers, the president of the SA Agricultural Union, Mr Jaap Wilkens, said in Pretoria yesterday.

At discussions with the SAAU executive in Cape Town earlier this week the Prime Minister, Mr P W Botha, promised the Government would give "as much assistance as possible" to ease the financial pressure on farmers.

Mr Wilkens said during the discussions the SAAU asked that debts be payable over a longer term at special interest rates, and that enough provision be made for financing the planting of next season's crops at reasonable interest rates.

The SAAU asked, too, for a review of the current high interest rates and the role of the Land Bank.

The farmers also want a special reserve fund for financial protection during bad years, as well as a long-term drought assistance scheme.

Mr. SPEAKER: Order!

③ *Harvey* *Hansard*
Maize: export programme
Q. Col. 358 12/3/82
Dr. W. D. KOTZE asked the Minister of Transport Affairs:†

- (1) Whether the South African Transport Services has in every month since 1 November 1981 transported the maximum quantity of maize according to the normal export programme; if not, (a) why not and (b) how many of the proposed number of truckloads were not railed;
- (2) whether the South African Transport Services foresees a backlog in the transportation of maize in the near future; if so, as a result of what factors?

The MINISTER OF COMMUNITY DEVELOPMENT (for the Minister of Transport Affairs):

- (1) No.
 - (a) Because the Maize Board sold less maize than originally planned.
 - (b) From December 1981 to February 1982, 6 270 fewer truck loads were railed than were scheduled.
- (2) Yes. Due to the inability of the Maize Board to tender maize for transport at the tempo agreed upon.

Maize farmers want 25% more

By GERALD REILLY

MAIZE farmers are expected to make their biggest price hike demand at next week's annual general meeting of the National Maize Producers' Organisation in Klerksdorp.

Nampo reacted with shock and anger last year when the producers' net returns were left unaltered, in spite of their claim that production costs had risen about 15%.

Nampo members now dominate the Maize Board — which was re-elected late last year — and as the Government is expected to resist a big price hike, a clash is considered certain.

Nampo is expected to demand a price rise of at least 25%. It believes this is reasonable when inflation, as measured by the consumer price index over the past two years, is nearer 30%.

Economists point out that a substantial maize price increase would be highly inflationary.

Maize is an important cost factor in the poultry, pork and beef industries, and con-

sumer prices would be adjusted to compensate for any price rise.

Nampo will base its claim on four major grounds:

- The 1981-82 crop may be no bigger than half of last year's record 14 200 000 tons;

- Farmers have had no increase for two years;

- Drought losses are expected to exceed R800-million;

- The crippling hike in land bank interest rates — doubled in the past twelve months.

The meeting will be opened by the Prime Minister Mr P W Botha.

Although it is strictly a non-political occasion, the Prime Minister is not expected to forego the opportunity of referring to the party split before a politically important and influential section of platteland Afrikaner nationalists.

Other Ministers invited to attend include the Minister of Agriculture Mr Piet du Plessis, the Minister of Law and Order Mr Louis le Grange, and the Minister of Industries, Commerce and Tourism Dr Dawie de Villiers.

Maize crop for '82 to drop 6-m tons

③ Maize
Star 18/3/82

Political Staff

CAPE TOWN — The 1982 maize crop is expected to drop to 8,6 million tons, compared with last year's record crop of 14,6 million tons.

These figures are given in a statement on aid to farmers in drought-stricken areas which was issued by the Minister of Finance, Mr Horwood, and the Minister of Agriculture and Sea Fisheries, Mr du Plessis.

In 1980 the crop was 10 million tons.

The statement said the estimate was based on conditions at the end of February and the final crop would probably be even smaller, due to the deteriorating conditions in the production area.

It was expected that crops of oil seeds and sorghum would be approximately 40 to 50 percent smaller than last year.

The ministers said the Government wished to express its sympathy with farmers who were suffering losses and assure them that due consideration would be given to their problems.

A delegation of the SA Agricultural Union met the Prime Minister, Mr P W Botha, and several Ministers in Cape Town recently.

Finality regarding the nature and extent of the aid would only be reached after various proposals of the union had been considered and a thorough investigation had been conducted into the drought conditions and the needs of farmers.

The statement said the Jacobs Committee into agriculture which was appointed last year had been asked to complete its investigation as soon as possible.

W/amine

G. Post
19/3/87 (3) Mayor ~~219~~

Scepticism in EL over plan for Richards Bay as maize port

Post Reporter

EAST LONDON — A decision to spend nearly R300 million on developing Richards Bay as a maize-exporting harbour was greeted with scepticism in East London today.

The decision was taken unanimously in Klerksdorp yesterday by the annual meeting of the National Maize Producers' Organisation.

The chairman of the Maize Board, Mr Crafford von Abo, told the meeting that the development at Richards Bay would cut costs and mean greater profits for farmers.

He said Richards Bay was close to the maize-producing areas and could handle ships of up to 100 000 tons while East London and Cape Town harbours could not take vessels of more than 35 000 tons.

It would cost the Government R23 million to improve facilities at East London and farmers did not want to support this development.

At present, East London is the country's major maize-exporting harbour.

The Mayor, Mr Errol Spring, said today he was not sure

the Government would support the development of Richards Bay.

He said he had discussions with the Minister of Agriculture, Mr Hendrik Schoeman, on Wednesday and was "convinced that the economics would have to be very much in favour of Richards Bay before we lose our status".

He said it was hoped the Government would make a statement on the issue soon.

Mr Spring was sceptical about the farmers' ability to finance the proposed developments.

"The railway line to Richards Bay cannot handle the maize. It is totally committed to coal export.

"This means that the railways will have to almost double the capacity of the line and I cannot see that being done in less than five years. Who knows what the position will be then," he said.

The city councillor with the industrial portfolio, Mr Donald Card, said he could not see the Government turning its back on East London and wasting all the money already spent on establishing major maize port facilities, he said.

It's Maize men agree unanimously
to R200m-R300m development

Riccharo's B

3 Henry
Allen

Surfer dies at Nahoon Reef

Friends pull him from sea and try resuscitation in vain

EAST LONDON — A man died while surfing with a friend at the Nahoon Reef here yesterday afternoon.

He was Mr Steve Theron, 29, of Greenan Street, Berea, who was placed fifth in the Masters division of the sixth Border trial contest at the Nahoon Reef 10 days ago.

Mr Andy Austin, of Beacon Bay, said he was out practising with Steve at Nahoon Reef and was on his way out of the water when a big wave came up.

He took no notice of it and continued walking to his car where he intended pushing his board away. Mr Austin

"I cannot say what happened and am not prepared to speculate," he said.

Another surfer, Mr Shaun Carcary, said while he was on his way to the Reef he saw Mr

By
**BENITO
PHILLIPS**

Austin trying to pull Steve onto his board.

"I then also rushed in to help because I realised something was wrong from the way the board was lying. We eventually

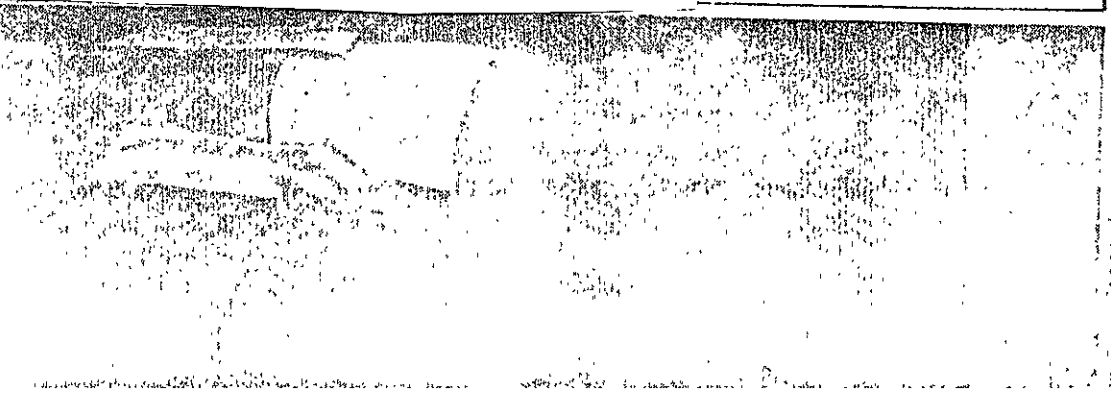
another surfer, Mr Shaun Kurten, also tried. "Just then a doctor arrived, but after examining Steve, he said there was nothing that could be done for him and asked that an ambulance be called."

Mr Carcary said he knew Steve as a strong surfer and swimmer.

Last night Mr J. J. Theyon said from his Umtata home that his son was the youngest of five children. He attended Selborne Primary after which he completed his Junior Certificate at the Umtata High School before going to the army.



MR ARON HOWES (left) and MR DA dressed as they appeared in courting their ... at Elm



Attended on the

Farmers give Botha cool reception

*CAPE TIMES
19/3/82
3 maize*

Own Correspondent

JOHANNESBURG. — Maize farmers gave the Prime Minister, Mr P W Botha, a cool reception when he arrived to open their annual congress in Klerksdorp yesterday, although he told them their plight was already being investigated.

Mr Botha addressed more than 600 maize farmers at the National Maize Producers' Organization (Nampo) annual meeting.

He arrived shortly after 11am by helicopter and was met at the city hall by a group of Potchefstroom University students carrying banners and singing "PW ons het jou lief".

In his 35-minute speech, Mr Botha praised the work done by Nampo, and said the organization should continue its fight for the farmers, but with-

out harming other sectors.

The maize industry should not see itself in isolation, he said, for there were many other sectors involved.

Mr Botha said the government sympathised with many farmers who feared great crop losses.

'Sick'

The country was in the grips of great economic difficulty, he said, but this was the case worldwide and added that most countries' economic systems were "sick".

He also pointed out that in the Thirties, the farmers suffered far more in the drought.

He told the farmers that a government-appointed commission, the Jacobs commission, was investigating the plight of farmers in drought-stricken areas.

3 Mary [unclear]

SA too stingy: Govt official

THE South African Government was the most stingy in the world with regard to agricultural research, Dr D J Agenbach, the deputy director-general of the Department of Agriculture and Fisheries, said yesterday.

And unless this anomaly was rectified South Africa would soon face serious food shortages, he warned.

Speaking in Pretoria, Dr Agenbach said the Government spent less than 1% of its gross national product on agricultural research.

He charged that other developed countries spent up to 2,55% of their GNP to finance agricultural research.

There would be an inevitable decrease in South African food production and food would become more expensive, if the situation were allowed to continue, he said.

"The end result will be that the South African agriculture will be unable to feed its population which, in turn, will lead to a fall in the country's living standards," Dr Agenbach warned.

One of the most serious matters in his department was the acute shortage of trained research personnel, especially in the technical field where, Dr Agenbach said, there was a staff shortage of 21%.

The main reason for this was that the public sector could in no way compete with the private sector with regard to salaries.

But, he added, the majority of people who started a career in the civil service studied with the aid of bursaries from the State and resigned after they had completed their obligations to the service. — Sapa.

Farmers not happy with PM's promises

By CHERYL VAN EVSSEN

MANY of the 600 delegates to the annual meeting of the National Maize Producers' Organisation appeared dissatisfied with the promise of Government assistance given by the Prime Minister.

Several said after Mr P W Botha had addressed the meeting in Klerksdorp this week that they felt no positive reassurance of assistance had been given.

Lichtenburg farmer Mr Piet Naude said there was a "political motive" behind Mr Botha's appearance at the meeting — his first public appearance in the Transvaal since the National Party split.

"But I do not think he will receive the support he is hoping for," he said.

"Few farmers have faith in commissions. The Jacobs Commission is the umpteenth appointed to report on agricultural affairs. Most of these commissions, in the past, have failed to come up with proper recommendations."

This year's 'Maize Man of the Year',

Mr Crawford von Abo, said it was urgent that the Government take a "positive step" to keep maize farmers in the industry.

Schweizer-Reneke farmers Mr Lourens de Jager and Mr Lodewyk Fourie said 10% of the district's maize farmers would be forced to leave their farms if the Government did not act soon.

"A small percentage has already left the maize industry," Mr De Jager said.

Mr Jan van der Westhuisen, of Soutbos, near Kroonstad, said Mr Botha brought "no news" to farmers.

"He only said the Government had sympathy, but farmers cannot live on that."

Farmers in his district were hard-hit by drought and heat-waves, he said.

Mr Chris Arnoldi, of Vaalkrans, in the Hamersfoort district near Ermelo, said Mr Botha was "vague" over Government help.

Mr Botha was more concerned with protecting home industries, such as the herbicide and hessian industries, than helping farmers, he said.

But three Potchefstroom farmers —

Mr Louis Blom, Mr Mike van Rooyen and Mr Sarel van Rensburg — had a kind word. Mr Botha had left them feeling "hopeful".

Mr Fanie Wessels, of the farm Wienan near Mafikeng, said farmers realised their industry was only one of the Government's priorities, but the farmers felt they should not be looked upon to absorb costs alone.

The wives of two Lichtenburg farmers — Mrs Laurette du Preez and Mrs Daphne du Preez — said Mr Botha's speech "left them no where".

Drought losses meant "no income for a year, and less spending", they complained.

Mr Hennie du Plessis, a director of Sentraal-Wes Co-operative in Klerksdorp, said: "Farmers do not expect money but they want to know that the Government understands and realises they were not responsible for the crop-damages. It was an act of God".

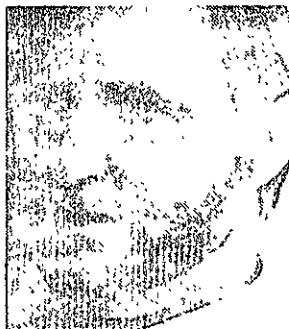
He had expected Mr Botha to make a policy statement on how farmers would be assisted, he said.



MR FANIE WESSELS not only priority



MR LOURENS DE JAGER some have left



MR PIET NAUDE political motive



MR VAN DER WESTHUISEN no news brought

R200m for maize port

Mail Reporter

MAIZE farmers have agreed to pay more than R200-million for the development of Richards Bay as a major export harbour.

The harbour is close to the Maize Triangle, and farmers believe it will bring greater profits to them.

Massive crop losses suffered

Pretoria Bureau

LATEST Department of Agriculture estimates reflect massive summer crop losses in all producing areas.

And the South African Agricultural Union's economist, Mr Johan Willemsse, estimates drought damage at more than R1 000-million.

"We told the Prime Minister, Mr P W Botha, this in Cape town earlier in the week and also that farmers' incomes this year had

been cut by 54% because of drought damage to veld and crops," said Mr Willemsse.

SAAU's claims are supported by the department's first official estimate of the summer crops.

Maize is down by more than 6-million tons to just over 8-million tons; sorghum is down by 221 000 tons to 331 000 tons; ground nuts by nearly 100 000 tons to 115 630 tons; sun flower by 227 809 tons to 289 822 tons and dried beans by 21 536 tons to 54 830 tons.

UK was told of 'base blast 3'

LONDON. — Britain has disclosed that the South African authorities had informed it about "the alleged involvement of three British subjects" in last August's attack on the Voortrekkerhoogte army base near Pretoria.

R5m for victims of racism

NEW YORK. — Thirty-one countries this week made or promised contributions of more than R5 600 000 to seven United Nations funds to help South Africans and South West Africans.

The UN Secretary-General, Dr Javier Perez de Cuel-

Sale of salmon from US banned

A BAN has been placed on the sale of certain American salmon in South Africa.

This follows an investigation by the South African Bureau of Standards following the death of a man from botulism in Belgium after he ate American salmon, reports Sapa.

The SABS has already recalled 1 500 000 of the 3-mil-

A statement issued by the Department of Health has warned that suspect cans may still be on sale in small cafes or stocked up in households.

ADA STUIJT reports that Dr J P du Plessis, head of the food inspectorate at the SABS, said the botulinum toxin was extremely poisonous and could cause death.

Authors 'can use crude words'

Mail Reporter

THE Publications Appeal

R200 m ^{(7/4/80) (3)} for Richards ^{Maize} Bay harbour ^{Mercury} development ^{20/3/80}

Mercury Reporter

JOHANNESBURG—Maize farmers have agreed to pay more than R200 million for the development of Richards Bay as a major export harbour.

At the annual congress of the National Maize Producers' Organisation (Nampo) in Klerksdorp this week, more than 600 maize farmers called on the Government to support a development project for the harbour.

The farmers were prepared to contribute between R200 million and R300 million to increase the harbour facilities for maize exports.

The harbour, which was used for iron-ore exports, was closer to the Maize Triangle.

The harbour could easily accommodate vessels up to 100 000 tons, whereas the present maize export harbours — East London, Cape Town and Durban — did not have facilities to harbour vessels larger than 35 000 tons.

At the meeting, Mr Crawford von Abo, the chairman of the Maize Board, said maize producers would benefit from the development of the harbour.

He said R60 million was lost annually because of insufficient export facilities.

Mr von Abo called on the Government also to support a project aimed at extending silo facilities in the maize triangle, and also the erection of a 500 000 ton silo at Richards Bay.

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Party Dispatch 23/3/67

Mda: fear behind maize move

Maize

UMTATA — The development of Richards Bay as a maize port in preference to East London was the result of white fears of the Border city being incorporated into Ciskei

This was said here yesterday by the leader of the opposition, Mr Sizakele Mda, in his no-confidence speech in the National Assembly.

His assertion drew backing from the government benches.

The Deputy Minister of Defence, Mr David Tezapi, told Mr Mda by

way of an interjection "You are dead right First it was wool Now it is maize"

Mr Mda rejected the South African Government's Border-Ciskei-Transkei regional development plan as "another underhand method by the ruling National Party to be boss over blacks

During his lengthy speech, in which he also attacked South Africa, Mr Mda criticised the government for not taking Transkeians into their confidence about

agreements with South Africa, not screening people who purportedly come to the country to help Transkei: monopolistic tendencies in granting ownership of properties and licences to party supporters as bonuses, and not seeing to the bad state of the roads

Mr Mda praised the present head of the army, Major-General Ron Reid-Daly and urged him to act in the interests of Transkei "irrespective of South African feelings"

Maize men set to push sharp price rise ^{22/3/82} (3) *Maize*

By GERALD REILLY

THE National Maize Producers' Organisation (Nampo) will demand a price increase of between 20% and 25% when it meets the Maize Board in Pretoria on Wednesday.

Producers claim this is a modest demand considering that maize farmers got no increase last year in spite of production cost rises of about 15% during the 1980/81 season.

During the current season,

production costs — including fertilisers, labour and transport — have continued to rise.

Farmers claim their "rocky" financial position has been worsened by the big increase in Landbank loan rates, which have nearly doubled in the past 12 months.

Economists point out that a big increase in the maize price would add substantially to living costs, particularly those of the lower income groups.

Maize is the staple diet of the mass of the South African population.

It is also a key ingredient in cattle, poultry and pig feed, and egg, chicken, butter, cheese and milk prices, as well as meat and pork prices, would be directly affected by a higher maize price.

The maize producers' bid for a big price rise comes after the heaviest summer crop losses to drought in 10

years.

The SA Agricultural Union economist, Mr Johan Willemse, estimates crop losses at more than R1 000-million, and claims drought has slashed farmers' incomes by an average 54%.

His estimate is borne out by the Department of Agriculture's first estimate of the summer crops, released in Pretoria at the weekend.

This shows maize is down by more than 6-million tons

to just over 8-million tons; sorghum is down by 221 000 tons to 331 000 tons; groundnuts by nearly 100 000 tons to 115 830 tons; sunflowers by 227 809 tons to 289 822 tons and dried beans down by 21 536 tons to 54 830 tons.

Mr Willemse said yesterday that these estimates were over-optimistic.

"They were made at the end of February and since then the drought and the consequent damage to crops and veld has intensified."

③ Maize W.M. 26/3/82

Maize failure a blow for growth

CAPE TOWN. — The severe drought in maize areas could have an adverse effect on overall growth in 1982-83, says the Director-General of Finance, Mr Joep de Loor.

If there is negative growth in the agricultural sector this year, certain other sectors will have to improve if SA's expected 2% to 3% economic growth is to be achieved.

Agriculture could prove to be the economy's achilles heel this year.

He says reaction to the Budget has been favourable and although consumer spending must be curtailed, 2% to 3% growth is still feasible.

The increase in the effective rate of non-mining corporate tax to 46,2% from 42% could lead to some reduction in dividends and cash flow difficulties may arise.

However, company tax is now closer to the 50% marginal rate for individuals and this should lead to fewer people setting up private companies to avoid tax.

Dr de Loor expects a current account deficit this year of about R3 000-million. It was R4 000-million in 1981.

He does not foresee any difficulty in financing this, taking into account the fall in imports.

The reduction in Government spending is likely to have some impact on the building industry, but this should not cause too many problems as this sector has been operating at capacity. A pause would not be a problem.

Government expenditure has been reduced in the past five years and now accounts for 22% of gross domestic product against 28% before.

The Government aims to maintain the 22% proportion.

Inflation must continue to be reduced from the present 13,6%, particularly as South African interest rates show less positive returns than those of its main trading partners.

Interest rates, however, must now be close to their peak. Prime rate is 20% against 9% a year ago, and the R800-million new money the Treasury will be in the

market for this year should not have any real effect on these rates, he says.

The Treasury will enter the market on a much more regular basis this year and he expects a stock issue of moderate size every six to eight weeks against three major issues a year before.

The authorities aim to keep money-supply growth below the inflation rate this year. M-2 rose an annualised 21% in the last quarter of 1981.

The Government will help to ease tightness in the money market this year as its total requirements are estimated at 60% below last year's.

If the gold price were to move up for a long time, and revenue improve, the Government may consider further expenditure increases, with housing the top priority.

However, if the gold price falls further, the mines will bear the brunt of the problems as the Government has budgeted for R900-million from this sector in 1982-83 against R2 170-million last year. — Reuter.

AGRICULTURE 2 FM 2/4/82

Asking for more

3 MA 20
After a year without a shift in the maize price, growers are now wanting an increase. They base their claims on the drought and rising costs.

But cynics argue that prices are already too high by world standards and that abnormal profits over the last two years should carry farmers through one bad harvest.

Most growers did well during 1980 and 1981. The gross value of their crops for these seasons exceeded the sum of the proceeds during the preceding four. Indeed, the profitability of maize production was mirrored in a doubling of the price of maize land between 1979 and the end of last year.

And thereby hangs a tale. The buyers who drove up the land prices were none other than those farmers who are now complaining that they can't make ends meet.

There is no excuse for any maize farmer to be in trouble today — unless he borrowed money to buy inessential equipment and expand his business at the wrong time.

The fact that so many did expand at the top of the boom is a sad reflection, not only on the farmers themselves, but also on government's injudicious agricultural, monetary and fiscal policies.

Successive ministers of agriculture have created the impression that government will always be prepared to buy maize at a price exceeding its cost of production, even if there is no market for it. The Reserve Bank and the Land Bank combined to ensure that finance for expansion was available at ridiculously low rates of interest. And the tax system penalises the farmer who attempts to consolidate, but subsidises the one who is prepared to expand by borrowing the money offered.

If the Minister of Agriculture grants a hefty price rise now he will merely confirm the impression that farmers can be financially irresponsible.

A high maize price does little to benefit those farmers who have suffered most severely from the drought, for they have no maize to sell. It therefore accrues mainly to the lucky few who do not need it because they got rain at the right time or grew their crops on irrigated land.

A higher price could also be the last straw for thousands of stock farmers who have also suffered from the drought.

Assistance

The immediate solution to the drought crisis surely lies in the identification of the few hundreds of deserving cases and the provision of short term assistance where it is really needed: such as bridging finance through the Land Bank.

To qualify for assistance a grower should be able to prove genuine hardship and that the reason for his plight is indeed the drought rather than his own inefficiency. The longer-term solution is for government to adopt policies which will encourage farmers to anticipate droughts and provide

their own economic cushions.

The Jacobs Commission has proposed that farmers should be able to postpone the receipt of money from good years by depositing excess earnings with the Land Bank. Any income thus delayed would not be subject to taxation until it was withdrawn.

Had this been done two years ago there would have been no crisis today. Land prices would not have been bid to such heights and fewer farmers would have been in debt. And the drought would have been a simple farming problem instead of a complex political one.

SUNDAY EXPRESS April 18, 1982

③ Maize

RUMANIANS IN SA GRAIN-FOR-FERTILISER SWOP

A TOP-LEVEL delegation is to meet Cabinet Ministers on Tuesday to finalise the barter of South African maize for 208 000 tons of Rumanian urea, a fertiliser component.

However, major fertiliser producers are said to be unhappy about the planned trade, which has been organised by the Maize Board.

And the deal has caused disagreement in the Cabinet, according to an informed source.

Maize and fertiliser producers will be represented at Tuesday's meeting.

The Fertiliser Society, representing 15 manufacturers including Triomf and Fedimis, have publicly said they are approaching the deal in a positive and helpful manner.

B. GIBSON EMBRY

But fertiliser manufacturers say privately the deal is short-sighted.

However, they are over a barrel because maize farmers use about 75% of all fertiliser manufactured, according to one source.

And this source says the deal will go through because maize farmers have powerful political clout. Maize is shipped to African states hostile to South African Government policy but who keep the doors open because they need to feed their citizens.

In terms of the Rumanian agreement the Maize Board will import 208 000 tons of urea.

Urea is a nitrate crystal. Phosphates, potash and urea are the components used in fertiliser. Urea is also used as a maize top-dressing.

Fertiliser Society members have undertaken to buy 60 000 tons of their 1982 urea needs from the Maize Board this year.

The Maize Board will be responsible for the remaining 148 000 tons — and will bear the costs of its importation, storage and distribution.

Urea needs controlled storage. It can be volatile. Nitrate is a component of nitro-glycerine.

And because of its crystalline nature it is subject to changes because of mois-

ture, in the same way that salt suffers during temperature changes.

The Fertiliser Society estimates the 208 000 ton urea import will cost the Maize Board R18-million.

While the board will maintain the cash benefits from selling the urea, one source said he was not certain the board would profit from the deal because of high administration and storage costs.

Another major point of concern for fertiliser manufacturers is that the import of urea from Rumania will affect goodwill with suppliers in North and South America.

Some local manufacturers have had to cancel orders — which they had already paid for — with urea suppliers

because of the Rumanian deal, according to a source.

"Fertiliser manufacturers have got the short end of the stick," he said.

A Fertiliser Society spokesman refused to comment on the information presented to him by the Sunday Express. He said he would first have to find out the opinions of the other members.

But he did say the fertiliser industry would continue to help the Maize Board "draw up a workable solution to a major problem... the immediate importation of an exceptionally large tonnage of urea, which will have to be stored for a considerable period after 1982".

③ Maize Maize crop 24/3/82
Hansard Q. Co. 477-8
364. Mr. R. W. HARDINGHAM asked
the Minister of Agriculture and Fisheries:

14 MARCH 1982

478

- (a) What is the estimated tonnage in respect of the 1982 maize crop and (b) what quantity of the 1981 maize crop is still in hand?

The MINISTER OF AGRICULTURE
AND FISHERIES:

- (a) 8.6 million ton.
(b) Approximately 4 million ton.

Mr. Dave?

Double trouble for Govt from farmers

THE Government is facing intense pressure from two of the most powerful voting blocs in the country — organised agriculture and the maize farmers.

Maize farmers are using the tricky political climate caused by the National Party split to demand a price increase that would rocket the South African maize price to double that anywhere else in the world.

Organised agriculture, on the other hand, is becoming progressively more disenchanted with the Government's hodge-podge agricultural rulings and reluctance to implement long-term agricultural policies.

Top sources told the Sunday Express that organised agriculture was increasingly prepared to confront the Government.

"We want to keep agriculture out of party politics but the Government refuses long-term agricultural planning. Policies are being made in the short term according to prevailing political climates."

In private discussions with the Minister of Agriculture, Mr Pietie du Plessis, in Cape Town this week, maize farmers, represented by the National Association of Maize Producers' Organisations (Nampo) demanded a massive 60% increase in the price of maize.

Their price increase request — until now a closely guarded secret — would push up the price of maize to R185 a ton nett.

In addition farmers are demanding R140-million from the Government as a pat on the back for maintaining exports.

The farmers' ultimatum has reportedly caused problems for the Minister who was expected to announce the maize price increase on Friday. It is now expected the new increase will be Gazetted this coming Friday.

Reliable agricultural and Government sources believe the Government will not accede to the maize farmers request. To do so would be to court disaster with trade unions, many of whom have already started tricky annual wage negotiations.

Highly placed sources have predicted that the Minister will probably cut the nett price to the producer from R115 and R118 (for yellow and white maize respectively) to R110 and R125 (a slight raise for white maize).

It is expected the gross domestic price will be R134 a ton for yellow maize and R145 a ton for white maize

BATTLE LINES DRAWN FOR CLASH ON MAIZE

By CHARLENE BELTRAMO

— still a healthy increase for the maize farmers.

A high maize price would have a disastrous effect on prices of meat, poultry and dairy products as maize comprises as much as 80% of the input costs of these products.

Organised agriculture is believed to be furious at the maize farmers' massive price request.

The Minister's predicament has been made more difficult because of changes in the Maize Board and the maize producers' organisations. He could previously rely on two recommendations, one from the maize producers' organisation and one from the Maize Board.

Now, however, all eight producer members of the 13-member Maize Board belong to Nampo — which gives the board and Nampo a single view.

The country's 15 000 maize farmers have also demanded that in future the Government should have no say in the fixing of a maize price and that it be left to them.

Organised agriculture — which is moving into the hands of younger and more progressive agriculturalists — is angry with what they call the Government's outmoded party political approach to agriculture.

Although in previous years this attitude was largely beneficial to farmers, it has now become a burden through inconsistency and a dated approach, they claim.

The price of dairy products has increased three times in the past year — twice because of controlled price increases and once following the additional 1% General Sales Tax increase.

The Dairy Board is importing 2 000 tons of butter this year (compared with 1 600 tons last year) — which, despite high import costs, will still be sold at the same price as the local product.

Mr J de Bruyn, a spokesman for the Dairy Board, said production was down this year, mainly because farmers could not afford expensive feeds — which are about 57% of the dairy farmers' input costs.

In an example of what farmers consider dubious Government dealings, several thousand tons of cheap

frozen meat from Ireland found its way into South Africa and Namibia — with,

informants claim, the full knowledge of the Meat Board.

Farmers are angry as they are now faced with an over-supply of meat because of the drought and low consumer demand.

The Irish meat imports case has apparently been handed to the Attorney-General of the various provinces for investigation.

Farmers are also tired of Government subsidies. They have mooted a reserve fund to which farmers can contribute during good agricultural years, and then draw from in lean years instead of relying on the ultimate financial burden of Government subsidies or loans.

Organised agriculture is also critical of the present tax system



Mr Pietie du Plessis, Minister of Agriculture, faces a difficult predicament with maize farmers and organised agriculture.

Fertiliser chief hits out at Govt

③ Maize
~~Post~~
E. Post
3/5/82

Post Correspondent
JOHANNESBURG — The Government has been accused of robbing the fertiliser industry to pay the farmer.

The accusation comes from Mr T H Webb, the Fertiliser Society chairman, who adds in his chairman's report for 1981 that unrealistic fertiliser price increases set by the Cabinet were not a purely economic decision.

"The underlying tones of political interference are perceived and the fertiliser industry resents the attack launched against it to improve the lot of others."

Maize farmers — who use about 75% of all fertiliser locally — and the fertiliser producers have hit out at the Government for having no long-term agricultural planning policy.

But the two parties are still at loggerheads over the barter of 208 000 tons of a Rumanian fertiliser component, urea, for maize, which was organised by the Maize Board.

The Government is also under pressure from another quarter — organised agriculture — over maize farmers' demands for a price increase of 60% to R185 a ton (net).

Last week the Sunday

Express reported that maize farmers were using the tricky political climate caused by the National Party split to demand an increase that would rocket the South African maize price to double the price anywhere else in the world.

The price request was made by the National Association of Maize Producers' Organisations (Nampo).

Nampo demanded a R140-million pat on the back from the Government for maintaining exports.

Organised agriculture is believed to be furious at the maize farmers' massive price request.

Any maize price increase affects the costs of meat, dairy products and poultry because maize comprises as much as 80% of these products' input costs.

The Fertiliser Society report has openly confirmed the simmering discontent between fertiliser producers and the Government.

In the Fertiliser Society report, Mr Webb said the Cabinet decision to fix unrealistic prices had been made worse by increased costs caused by:

- The further weakening of the rand to US 95c, which will add R6,5-million to fertiliser industry import bills;

- Increased railage

rates, adding another R2,8-million to the bill;

- The imposition of an import duty, which adds another R6-million to the cost of raw materials.

The 10% price increase granted by the Cabinet was completely inadequate and should have been 18,2% if based on the approved Government formula, he said.

Because fertiliser is price-controlled, producers will not be able to recover any cost increases from consumers, he said. This meant a R69-million subsidy to consumers by fertiliser producers.

"In the light of what I have said, it is clear that the Government is adopting a policy of robbing Peter (the fertiliser industry) to pay Paul (the farmer)."

"If subsidies are necessary the taxpayer and not the industry must be called upon to meet the bill," Mr Webb said.

Statistics put the average net annual income of the South African farmer at R33 000. But 21 000 farmers earned less than R1 000 a year each, according to the statistics, he said.

This was unhealthy and it was doubtful whether the R69-million subsidy would make inefficient farmers more efficient, Mr Webb said.

Kingpin of maize realm transformed an industry

6/5/82 Star
 ③ Maize ~~Central Board~~

Own Correspondent

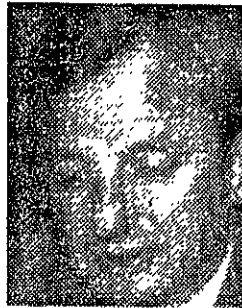
In one year Mr Crawford von Abo has transformed the Maize Board from a Government agency into a marketing organisation selling maize in a most businesslike manner.

His approach was clear: the National Maize Producers Organisation should function as the Maize Board's holding company, taking major policy decisions but leaving the Maize Board to run the show.

Quite a show, in fact. With an annual turnover in excess of R2 000 million, this is one of South Africa's largest money-making concerns.

The general manager of the South African

The announcement of a 15.9 percent maize price increase by the Minister of Agriculture, Mr Pietie du Plessis, has brought the Maize Board's dynamic chairman, Mr Crawford von Abo (right), sharply into focus.



Railways quickly realised what had happened. Speaking on maize transport and harbour development, he addressed last month's Nampo congress as though he were addressing the board of Anglo American.

He outlined options,

gave figures on costs and capital investment required in each case and explained the Railways' asking price for service.

The Minister of Agriculture, Mr Pietie du Plessis, had not been as quick. He came to last week's Maize Board meeting expecting

merely to announce a final maize price and soothe farmers' aches in the way he was accustomed to doing as a politician.

Instead, he was confronted by a group of hard-headed businessmen who politely fought him every inch of the way.

In the end, Mr von Abo sent him back to the Cabinet for fresh instructions.

The fertiliser sellers also found Mr von Abo friendly but often unyielding. Only the best bargain for the hard-pressed maize farmer is good enough for him.

Mr von Abo's family, which is of Baltic origin, has been farming in the Bothaville district for generations.

Having lost his father when he was 16, he had to take over the family farm from his grandfather on the day he matriculated from the Hoër Volksskool in Potchefstroom.

Eventually he found himself ploughing 6 000 ha for maize and farming with tobacco, cotton, cattle and sheep as sidelines.

He was born in 1934. He married Miss Bibi van der Merwe. His son Pieter is in his final years of an LLB course at the University of the Orange Free State. His daughter Dorette, who is married, is studying law through Unisa. She already has her BComm degree.

South African Allied Workers Union (SAAWU)
 National Union of Textile Workers
 National Union of Leather Workers
 National Union of Clothing Workers
 General Workers Union of South Africa
 General Workers Union
 Garment Workers Union (Western Province)
 Garment Workers Union of South Africa
 Garment Workers Industrial Union (Natal)
 Black Allied Workers Union
 African Trunk & Box Workers Union
 African Leather Workers Union (Transvaal)
 African Garment Workers Union (Natal)

Textiles, Clothing, Leather and Footwear

African Tobacco Workers Union
 National Union of Cigarette & Tobacco Workers
 Rustenburg Tabakwerkersvereniging

Tobacco

Sweet Workers Industrial Union (Natal)
 Sweet Workers Union
 Sugar Industry Employees Union
 South African Allied Workers Union (SAAWU)
 S.A. Boltmakers, Iron & Steelworkers, Shipbuilders and Welders
 S.A. Electrical Workers Association
 Western Province Sweet Workers Union
 Witwatersrand Baking & Confectionery Industrial Union
 Witwatersrand Brewing Employees Union

Maize up by 15,9 percent

CAPE TOWN'S
6/5/82
Maize

- (9) McKennon Chairs
- (10) Alusat
- (11) Vosa
- (12) Craft Engineering
- (13) Selchain
- (14) Stone Street & Hansen

stration, p. 11

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Telephone: (031) 69215

Report Nov. 1980/81
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Staff Reporter

AN IMMEDIATE 15,9 percent increase in the consumer price of maize and a 23 percent increase in the floor price of grain sorghum was announced yesterday by the Minister of Agriculture, Mr Pietie du Plessis.

He said at a press conference in Cape Town that the maize price increase was necessary because of a wide range of production cost increases and a poor crop expected this year.

"Taking into account the fact that the increase in price to the consumers last year was only 9,5 percent — which was below the general inflation rate — the 15,9 percent increase is reasonable in my opinion," he said.

Meeting

At a special meeting with the Maize Board yesterday, the minister approved requests for a gross producer's price of R155,05 a ton, a net producer's price of R134,05 a ton and a consumer price of R155,30 a ton.

Mr Du Plessis said the increase was effective immediately but that producers would be paid according to the new price from May 1.

The minister congratulated the Maize Board for the "responsible manner" in which they had acted in the interests of this vital industry.

He also announced that the government had made another R25 million available to subsidize the industry besides the existing R75 million for the 1982/83 financial year.

Storing

"This will go towards the cost of storing and handling maize for domestic use and can therefore be regarded as a consumer's subsidy," he said.

To meet other shortages in the vital industry, he added, the government would make another R104 million available in the form of loans at four percent a year over a period of five to seven years, and further loans at 10 percent a year over a period of five years if necessary.

Mr Du Plessis also announced that the new floor price of grain sorghum for this season had been set at R142 a ton, compared with R134,20 a

ton last year, for Grade GC1.

This meant a net producer's price of R119,96 after R20 was subtracted for the stabilization fund and R2,04 for administrative costs.

● The minister pointed out that there was no distinction between yellow and white maize in the new price structure.

'Unbelievable'

● Approached for comment, Mrs Gwen Wheelan, chairman of the Cape branch of the Housewives' League of South Africa, said the increase was unbelievable.

"They had a bumper crop last year — something like 14 million tons. We used about six million tons and some maize was exported too. This means that a lot of the crop was not disposed of."

"Why is this surplus not used to offset the poor crop this year? Why is the government not able to set aside last year's excess for use this year?" she asked.

The increase would have a tremendous effect on the black community and have a ripple effect on fodder, chicken feed and many other products. Anyone having anything to do with maize would just put up their prices.

"I think we are beginning to see the consumer digging in his heels. This increase is going to make the consumer sit back and rather save his money. This in turn is going to have an adverse effect on the market."

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METAL AND ALLIED WORKERS UNION



Mr P W BOTHA reacted to coup claims

6/5/82 (3) Maize Anger grows at maize price rise of 15,9%

Mail Correspondent

CAPE TOWN. — The consumer price of maize was increased by 15,9% yesterday — with immediate effect — and the floor price of grain sorghum was increased 23%.

And shocked consumer watchdogs nationwide expressed their anger at the announcement — labelling it “highly inflationary” and a “blow to the poor”.

The Minister of Agriculture, Mr Pietie du Plessis, said yesterday a wide range of production cost increases and poor crop expectations this year had made the maize price increase necessary.

He said last year's consumer price increase had “only” been 9,5% — below the general inflation rate — and the new increase was “reasonable”.

At a special meeting with the Maize Board yesterday, the Minister approved requests for a gross producer's price of R155,05 a ton, a nett producer's price of R134,05, and a consumer price of R155,30. Producers would be paid according to the new price from May 1, he said.

But the national president of the Housewives' League, Mrs Joy Hurwitz, warned last night the “highly inflationary” increases would have a disastrous ripple effect on many basic products.

The increase was “far higher” than expected — in spite of an appeal to Mr Du Plessis last week not to increase the price more than 9% and to reintroduce price

control on maize products.

The president of the Black Housewives' League, Mrs Sally Motlana, said many blacks would starve.

And Mr Rex Glanville, marketing manager of giant-supermarket Checkers, said last night the increase was a “blow to the poor”.

The Government had also made R25-million available in maize industry subsidies — besides the existing R75-million for the 1982/3 financial year — towards the cost of storing and handling maize for domestic use. This could be regarded as a consumer's subsidy, Mr Du Plessis said.

To meet other shortages, the Government would provide another R104-million in the form of loans at 4% per annum over a period of five to seven years. Further loans at 10% per annum over a five-year period would be available, if necessary.

With the increase, grain sorghum's new floor price is R142 a ton (R7,80 up on last year) for Grade GC1, and the net producer's price is R119,96 after deductions — up 15,02% for producers, taking note of the net producer's price of R95 last year.

Mr De Plessis said this year's maize harvest estimate had been 8 400 000 metric tons in February, but the actual figure would be “drastically lower”.

Last year's harvest was 14 300 000 metric tons. There was no price difference between yellow and white maize.

die for you being here — your mother.

To mark Mother's Day on Sunday the Rand Daily Mail is giving everyone a great chance to say “Thanks, mom!”

The Mail is running special advertisements in its Smalls section on Saturday — AND there's a special prize for the best advertisement.

● See Page 8

JUST 3 DAYS TO GO



You've still got tonight, tomorrow and Saturday to go to the Rand Daily Mail Wine Festival, South Africa's premier wine-tasting event. And on top of this there's the international wine night on Monday... it's open to Mail Wine Club members only — but remember you can still join the club at the special stand at the festival.

● See Pages 2 and 8



and Bonus Bonds dug up a Sandton of paper, which they took away.

Picture: PIERRE OOSTHUIZEN

ield Violence is out, says Le Grange

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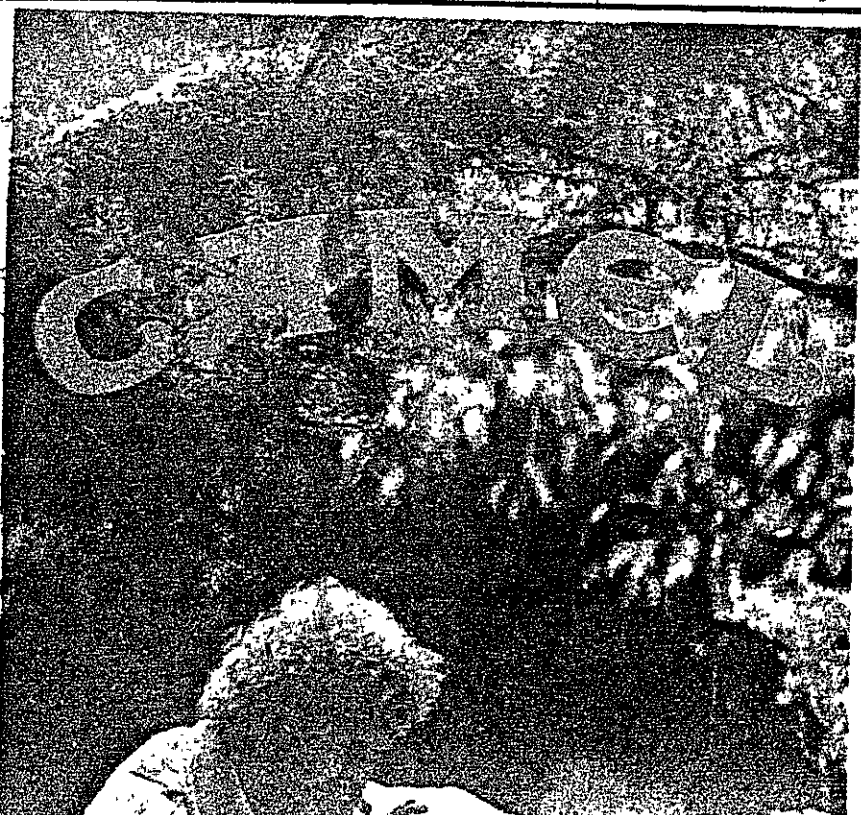
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Political Staff

CAPE TOWN. — Police have been instructed to avoid violence at all times when interrogating detainees, the Minister of Law and Order, Mr Louis le Grange, said yesterday. Replying to a question in Parliament from Mr Ray



Maize price rises 15,9 pc

AR 6/8/82

3 NAMEC

Political Staff
 THE Government has agreed to raise the selling price of mielies by a whopping 15,9 percent to an effective consumer price of R155,30 a ton.

This was announced by the Minister of Agriculture, Mr P T C du Plessis, yesterday.

The price is bound to send an inflationary ripple through the economy.

Mr du Plessis said the Maize Board had asked for:

- A gross producer price of R155,05 a ton.
- A net producer price of R134,05.
- A selling price of R155,30.

To obtain the nett price of R134,05 a ton, the Maize Board asked him to use his authority to negotiate loans to make up the shortage.

"It is a special privilege to say it gives the Government great pleasure to agree completely to this request."

In considering the increase of 15,9 percent, it should be noted that last year's increase was only 9,5 percent in spite of a higher inflation rate.

Mr du Plessis said the Government had also decided to add R25-million to the R50-million provided as a subsidy in the estimates.

To offset the shortage in the subsidisation account, the Government had agreed to make further loan facilities available to the industry over five years at 10 percent.

The new price will come into operation immediately.

The Minister announced a floor price for sorghum grain of a nett R119,96 for producers, an increase of 23 percent.

This is, however, only a guaranteed minimum price, usually well below the market trading price.

Food rises

(Continued from Page 1)

have stocks which should last three weeks.

"But of course maize is used as food for livestock, so it will not be long before the prices of eggs, chicken, milk, butter, cheese and a variety of meat products also have to go up."

One of the main egg producers near Cape Town said: "Maize accounts for 75 percent of our costs. This increase means that egg prices will have to go up."

He said egg and poultry producers were faced with an increase in feed prices which would also include the increased rail tariffs which came into operation last month, and possibly larger profit margins for the millers.

Mr Utian said: "While we recognise that the farmer must be kept on the land we are horrified by this price increase in what is the staple food of millions of the poorest section of our population."

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 General Workers Union
 Industrial Salaried Staff Assoc
 Federated Mining, Explosives a
 Engineering Industrial Workers
 Engineering and Allied Workers
 Durban Rubber Industrial Union
 Chemical Workers Union
 Chemical Workers Industrial Union
 Chemical and Allied Workers Union
 Cape Explosives Industrial Workers Union
 Black Allied Workers Union

Chemical & Chemical Products, Coal, Rubber & Plastic Products

MAIZE PRICE INCREASED BY NEARLY 16%

③ Maize FM 7/5/82

The consumer price of maize has been increased from R134,20/ton to R155,30/ton with immediate effect. This is an increase of nearly 16%. The producer price has been raised to R155,05/ton and net payments to farmers, after deductions of levies, will be R134/ton.

In addition to the R50m contribution provided in the printed estimates of the Appropriation Bill, government has decided to increase assistance to the maize industry by a further R25m, which will be used to help defray the cost of storage and transport of maize for domestic consumption.

In effect, this amounts to an additional consumer subsidy.

The announcement was made by Agriculture Minister Pietie du Plessis this

week after protracted negotiations with the Maize Board.

Tough bargaining preceded the announcement of the increase which, at 15,9% (9,5% last year), is appreciably below the 25% the Maize Board had confidently been expected to demand in view of the short 1982 crop, down to an estimated 8,4 Mt compared with last year's 14,3 Mt.

Loan facilities

In addition to government's R75m aid to the industry, the Maize Board has residual loan facilities with the Treasury of R104m, available at 4% and repayable over 5-7 years. Should the industry need to borrow in excess of this sum further loans will be made available at 10% repayable over five

years.

To strengthen the industry's position, the growers' levy which is paid into the board's stabilisation fund has been increased from about R15/ton to R20/ton.

The board's current stock position would appear to be sound enough under the circumstances. The carry-over from last season is 3,7 Mt, which should be added to the anticipated 1982 crop of 8,4 Mt.

Home consumption this year should be about 6,4 Mt, which should enable the Maize Board to export about 3,6 Mt.

The floor price of sorghum has been increased from R95/ton to R142/ton — with a net pay-out to growers of R119/ton.

Maize rise — dissatisfaction widespread

Industrial Reporter

DISSATISFACTION over government approval of a 15,9 percent increase in the price of maize on Wednesday continued to mount yesterday with calls for a meeting on the rise by retailers and widespread complaints from consumers.

"We are appalled at the lack of sensitivity surrounding the whole thing," said the general manager of the Pick 'n Pay hypermarket in Brackenfell, Mr Dave Goldberg.

He reiterated a call by the chairman of the group, Mr Raymond Ackerman, for a meeting with government and representatives of other parties concerned about the maize price and subsidies.

"One of the most disturbing factors is the discrepancy between the world price of maize and the much higher price here. We have not been adequately informed as to why this is so," Mr Goldberg said.

Maize Board

The general manager of the Maize Board, Mr H Nel, was not available for comment yesterday.

In a press statement released in Pretoria, the chairman of the dairy committee of the South African Agricultural Union, Dr Louis Theron, said the rise would deal another serious blow to the deteriorating financial position of the dairy industry.

The committee had made a submission to the Dairy Board at the end of January based on costs as of last December based on a maize price of R142,05 a ton, but the 15,9 percent rise meant a new bulk purchase price of R164 a ton, an increase of 1,25c a litre in the production costs of milk. Maize constituted 25,6 percent of total production costs of milk and 50,14 percent

of feed costs.

It was to be expected that rising costs and drought would mean a rise in the maize price and it was important the farmer be kept on the land, said the director of the Consumer Council, Mr Jan Cronje.

The council, however, was concerned about the ripple effect the increase would have on other agricultural product prices such as red meat, eggs, and dairy products.

Mr Cronje appealed to manufacturers of feeds and food products containing maize to do their utmost not to summarily shift the price increase on to the consumer.

The general secretary of the South African Poultry Association, Mr Z B Coetzee, said the maize price increase had made an egg price rise imminent.

"The increase, of R21,00 per ton of maize represents an approximate 3,85 percent increase in production cost of eggs", he said in a statement.

"The poultry industry is without doubt the most efficient sector in the production of protein, but is constantly forced into a position where price-administered inputs such as maize make it impossible to ward off price increases.

Oilcake

"As if the maize price alone is not enough, the poultry industry took note from certain feed industry officials that other feed ingredients such as oilcake and fishmeal prices are to be increased — the last mentioned due to the necessary importation of fishmeal reportedly without the Protein Reserve Fund being put to use to assist in softening the blow.

"The fishmeal and oilcake may represent a 2,57 percent to 3,85 percent increase in the cost of production of eggs."

Total egg production costs had increased 11,54 percent.

CAP Times
7/5/82
3 maize

State accused of playing at politics with latest price rises

SOUTH AFRICA'S fertiliser industry has accused the Government of taking political factors into account in determining the latest rise in the fertiliser price.

Mr Trevor Webb, chairman of the Fertiliser Society, said the Government was robbing the industry to pay the farmer and that the 10% price increase — set by the Cabinet — was unrealistic.

The dispute centres on the barter with Rumania in terms of which 208 000 tons of fertiliser components will be swapped for South African maize.

RUMANIAN DEAL AND NEW PRICE CAUSES UPSET IN INDUSTRY

By GORDON EDDY

According to a source in the fertiliser industry, South Africa's maize farmers use 75% of locally produced fertiliser.

Meanwhile, maize farmers and fertiliser producers have hit out at the Government for having no long-term agricultural planning policy.

But mostly they blame each other for increased input costs in the agricultural industry and remain at loggerheads over the Rumanian barter.

Central to the problem is the dramatic about-face by the Government on free enterprise.

Two years ago in a drive for South African self-sufficiency, fertiliser manufacturers were encouraged to build ammonia plants, which turn ammonia — a form of liquid nitrogen — into a solid urea (one of the three main components in fertilisers).

Because there is no natural local gas, coal and oil had to be used to manufacture urea — and this pushed up the price.

The fertiliser industry would not have built major ammonia plants if they had known that their tariff protection would fall away, said

Mr Webb.

But permits were given to certain people, and not to others, to import fertiliser cheaply, said a fertiliser industry spokesman, in what is seen as a direct reference to the Maize Board.

It is unlikely that the Maize Board would have negotiated the 208 000-ton barter without Cabinet knowledge, said an informed source.

The Government is also under pressure from another quarter — organised agriculture — over maize price increases.

This week maize farmers were granted a 15.9% increase to R134 a ton. But the consumer price in-

crease to R155 will snowball because maize comprises about 80% of the input costs in meat, dairy products and poultry.

The final maize price increase of 15.9% granted this week has eased the politically tricky situation a little. Maize farmers intended using the National Party split to negotiate a price increase and were demanding up to 60%.

At pre-increase prices South African maize cost \$50 a ton more than the current price on the international market in Chicago.

And farmers will be subsidised. Mr Webb said in his report

that the Cabinet decision to fix unrealistic prices had been made worse by increased costs:

- The further weakening of the dollar which will add R6.5-million to fertiliser industry import bills.
- Increased ratage rates add another R2.8-million to the bill.
- The imposition of an import duty which will add another R6-million to the cost of raw materials.

"In the light of what I have said about the non-recovery of costs to the tune of R69-million it is clear that the Government is adopting a policy of robbing Peter (the fertiliser industry) to pay Paul (the farmer)."

Rugby visitors tackled after club fracas

By STAN MAHER

AN URGENT application is to be made in the Pretoria Supreme Court today to seize the passport of at least one member of the visiting Gloucestershire Rugby Team from Britain. The move follows a fracas in a Pretoria night club on Tuesday in which a barman, Mr Frikkie van Schalkwyk, 21, was seriously injured when a broken beer glass was allegedly pushed into his face.

Although the owner of the night club claims he laid a charge of assault with the Pretoria police, a spokesman for the Police Division of Public Relations said last night he could find no record of a charge having been laid.

Mr Van Schalkwyk, who is now in Pretoria West hospital, "almost lost an eye" in the incident, club owner Mr Salmon Potgieter, 30, said last night.

"He looks terrible. His nose is cut open and his cheek is cut through to the muscle. The doctor fears he may lose the feeling in his cheek and that his lip may just hang down."

Mr Potgieter said he would make the court application today, in spite of requests from the rugby team members not to press charges.

"One of the team took a cap from a waiter and wouldn't give it back. When I went to talk to them, their manager asked me: 'Are you the heavy they have sent to sort us out?'"

"I said I was the owner and asked them to give the hat back. But when I went to the stairs to leave they tried to grab me and started hitting in my direction," said Mr Potgieter.

A melee ensued and the barman was injured.

Mr Potgieter said that when the police arrived, a Sergeant Blignaut had said he couldn't do anything "because these people are guests of the government," said Mr Potgieter.

"But Frikkie has told me he wants to go all the way with this charge. He signed the charge sheet in hospital today and I took it back to the police, but they said they would hold the charge pending their investigation."

Mr Potgieter said he met the team's manager, Mr Mike Nichols, and two other players yesterday to dis-

Maize price rise ups other foods

By GERALD REILLY
Pretoria Bureau

THE food price rise triggered off by the 15.9% increase in the maize price has started.

Before the end of the month the prices of butter, cheese, fresh milk, eggs and poultry will rise because of the increase.

Consumers and consumer organisations have expressed shock at the huge ripple effect the maize price rise will have on a whole range of food prices. Meat prices, too, are also likely to rise.

The Government's food committee is now studying recommendations from the Dairy Board for substantial rises in the price of dairy products.

These are certain to be granted.

The chairman of the National Dairy Committee of the South African Agricultural Union, Dr Louis Theron, said yesterday the higher maize price would further aggravate the deteriorating financial position of producers.

He said the producer would pay a new bulk purchase price at silos of R164 a ton. This in turn would mean a 1.25c a litre increase in the price of milk, without taking into account other cost rises.

Maize, Dr Theron pointed out, constituted 25.6% of the total production costs of milk and 50.14% of total feed costs.

The secretary of the SA Poultry Association, Mr Z B Coetzee, said the poultry industry was alarmed at the extent of the maize price increase.

The increase of R21 a ton represented a 3.85% increase in the production cost of eggs.

Mr Coetzee said oil, cake and fish meal prices were also expected to rise. Millers margins might also be increased.

Packaging materials had also been increased by 15%.

Mr Coetzee added that the international maize price had dropped to below half of the SA maize price, which made SA poultry products uncompetitive.

Meanwhile, the Progressive Federal Party's finance spokesman, Mr Harry Schwarz, claimed yesterday that the political clout of the maize farmer had been a factor in the fixing of the 15.9% hike in the maize price.

"It seemed clear that consumer interests were totally neglected and that the producer won the day with the backing of the Government."

Mr Schwarz called for a thorough investigation into the system used to determine Government-administered price rises, particularly food prices.

Sapa reports that the Consumer Council appealed yesterday to manufacturers of food products containing maize not to pass the burden of the new maize price increase on to the consumer.

The director of the council, Mr Jan Cronje, said he was concerned about the effect the price increase would have on other agricultural products such as red meat, eggs, and dairy products, as maize was the most important element ingredient in cattle and poultry food.

Fort Hare ultimatum

ALICE. — Students who did not return to classes by 11.15 this morning would be told to leave the campus immediately, the rector of Fort Hare University, Prof J A Lambrecht, said yesterday.

He said despite attempts to solve the problem, it was apparent there was a group of students who were not prepared to attend classes, no matter what the university authorities did. — Sapa.

Breakfast Quip



"Because of the outcry they decided to utilise the spare space"

Barnard denies he is resigning

Pretoria Bureau

THE head of the National Intelligence Service, Dr Niels Barnard, yesterday denied that he was on the point of resigning and said in a statement that he was breaking his policy of remaining silent about reports and speculations about NIS's staff or activities.

The 31-year-old former political scientist from the University of the Free State, was responding to a report in yesterday's Rand Daily Mail that he was believed to be on the point of resigning.

The Mail pointed out yesterday that attempts to contact Dr Barnard about the report had been thwarted by members of his staff.

In a statement issued yesterday in response to the RDM report, Dr Barnard said: "I would like to refer to a front page report in your paper (the RDM) this morning about my being on the

point of quitting as head of the National Intelligence Service and I am doing this with the knowledge of the Prime Minister.

"I have no doubt that you full well know that it is customary for an intelligence service not to comment on reports and speculations about its staff or activities, regrettable, unfounded or far-fetched as these reports may be."

"Since this particular report concerns my own person and may lead to a train of inquiries and speculation, I have decided to deviate from this principle and to set the record straight."

"The rumour, if such there be, is devoid of all truth."

"May I add, sir, that I strongly deplore reporting of this nature, which can serve no useful purpose and can be nothing but detrimental to this service and to the national interest."

Enjoy one of South Africa's original table wines

ment and/or dislocating the whole creaking carcass of SA agriculture.

Since his deliberations are habitually carried out behind closed doors, the farmers who are most affected by his decisions are left to speculate in almost total darkness for much of the year. From Cape Town to Pretoria, this is euphemistically called "maintaining the stability of agriculture." In practice, it means that summer grain farmers, who plough their lands in July and plant in October, have no means of assessing market prospects until their crops have matured in the following April. Likewise, stock farmers are obliged to commit themselves to marketing programmes and feed regimes without being able to negotiate any firm supply agreements for their critical inputs.

Maize purchases, typically, absorb half the gross income of pig and poultry farmers and one third of that of fresh milk producers. More than half of our locally consumed maize is bought by farmers.

While Hendrik Schoeman was in the agricultural saddle, circumstances usually allowed for generosity on all sides. The commodity boom of the early Seventies helped the Maize Board accumulate a R70m surplus in its stabilisation fund, despite his habit of granting producers wider and wider profit margins.

It is true that for two uncomfortable years in the trough of our last economic downturn, when the fight against inflation was fashionable, he was obliged to trim his sails. But a rising gold price and the fat balance in the stabilisation fund allowed him to cast care to the wind at his last two fixings. His less flamboyant successor has

been left to pick up the bits.

Last April, Pietie du Plessis was confronted with an enormous crop of 14,1 Mt (over half of which would have to be exported at a lower price than the board paid the farmers) and a stabilisation fund already in the red. He was also faced with a new and more aggressive set of producers on the Maize Board. Having spent more than a decade attempting to convince maize growers that they had been badly represented by their old board, the new one could scarcely countenance the reductions in producer prices which logic then suggested.

Du Plessis compromised in 1981 by leaving the net producer price where it was for a second year, while adding as much as the Cabinet would allow to the consumer price. This left the Maize Board with a modest profit on local sales — but not enough to compensate for the burgeoning losses on export account. Red ink continued to flow.

As a result, the minister found himself with even less room to manoeuvre when the drought-stricken growers returned to the table last month for their 1982 fixing. The Maize Board, already R100m overdrawn, was still losing money on a weak export market. The Cabinet could not possibly agree to another large rise in the local consumer price straight after a supposedly anti-inflationary Budget.

Yet the farmers had a cast-iron case for sympathy. They had a small crop and their costs had escalated by between 30% and 40% since they had last received an increase. To add insult to injury, most of those higher costs had been thrust upon them by the government itself through ad-

ministered prices and tariff protection. These have made it impossible for them to compete on overseas markets.

The fact that he was unable to announce his proposals for the new season until it was already a week old bears witness to the difficulty faced by the minister. The R134/t net producer price they eventually accepted last week is believed to be at least R10 and possibly R20 less than the producers thought they deserved. The 15,9% increase in consumer price is undoubtedly a lot more than the rest of the Cabinet wanted to concede. And the extra R25m subsidy which he wrested from the government at the last moment could not have been granted without a great deal of heartache.

Du Plessis can congratulate himself on a masterpiece of negotiation and compromise. But he still hasn't solved his problem. He has merely postponed it for another year. By next April, the stabilisation fund will still show a R100m deficit. World stocks of coarse grains now stand at a high, 14,6% of global consumption, while the majority of prospective buyers (mainly communist and Third World countries) are strapped for cash. So there is little likelihood of a sudden improvement in export prospects.

If international prices remain low, another large hike in the domestic consumer price will be out of the question. SA cannot afford to get too far out of line with the rest of the world. And even if we have docile consumers, there is a practical limit to the margin which can be set between producer and consumer prices. If it is fixed too wide, wily maize farmers will short circuit the system by selling their produce direct to stock farmers and thereby deprive the board of the rake-off upon which it depends.

Furthermore, there is little likelihood of getting the Minister of Finance to bridge the gap a second time with an enhanced subsidy. Next April we will be languishing at the bottom of the economic cycle and the Treasury is more likely to be wanting its money back. This year's total subsidy of R75m works out at nearly R9/t on an 8,4 Mt crop. If we reap the expected 11,5 Mt next year, a retreat to the budgeted R50m subsidy will leave the board looking for a way to reduce the producer to consumer price gap by at least R5/t.

The message to producers is clearer than normal. If you are planning next year's planting programme now, you must budget either for a second drought or for a minuscule increase in next year's net producer price.

The message for the Cabinet is clearer still. You must choose between your ideals of agricultural stability, your fight against inflation and your costly import replacement policies for fuel, fertiliser, spray chemicals and farm machinery. No government in its right mind can afford to pursue three conflicting policies at one and the same time.



Minister Du Plessis ... fixing the unfixable

x
③ Maize Hansard
Maize crop surplus 12/5/82
Q. Col. 798
*8. Mr P. A. MYBURGH asked the
Minister of Agriculture and Fisheries:

- (a) What was the tonnage of the 1981 maize crop surplus and (b) what quantity of this crop was carried over at the end of that season?

The DEPUTY MINISTER OF AGRICULTURE AND FISHERIES:

- (a) 8,8 million tons
(b) 3,7 million tons (surplus carry over) plus 0,9 million tons (normal carry over)

Rustenburg post office

*9 Dr. M. H. VELDMAN asked the Minister of Posts and Telecommunications:

- (1) Whether his Department intends carrying out extensions at the Rustenburg post office; if so,
(2) whether any progress has been made with the purchase of the premises on which the extensions are to be carried out, if so, what progress;
(3) whether the planning of the building has been completed; if so, when is it anticipated that building operations will commence?

③ Maize Hansard Q. 61.799
Maize crop 12/5/82

*10. Mr. P. A. MYBURGH asked the
Minister of Agriculture and Fisheries:

What is the latest estimated tonnage of
the 1982 maize crop?

The MINISTER OF AGRICULTURE
AND FISHERIES:

8 425 000 ton (end March 1982).

Call for free trade system

Farming Correspondent

The chairman of the Maize Board, Mr Crawford von Abo, has demanded a free trade system for maize as well as all farming requisites.

Commenting on the fertiliser price discussions held in Cape Town this week, he said in Bothaville that the favouritism shown by the Minister of Industries, Commerce and Tourism, Dr de Villiers, left him no alternative but to seek a free trade system for maize as well as fertiliser, tractors, insecticides and fuel.

"Let anybody import or export maize at will, but let anybody also import tractors, fertiliser, insecticides, herbicides and fuel without prohibitive import duties," he said.

WARNING

It was a pity that the Government had not heeded the warning by Mr J A van den Berg, chairman of the Industrial Development Corporation, that too much protection for industry was causing unproductivity and inflation.

The situation whereby money had to be taken from the consumer to bolster the fertiliser companies highlighted the inefficiency of the fertiliser industry. Why had the report of the committee of inquiry into the fertiliser industry not been published? What was Minister de Villiers hiding?

South Africa's maize was cheap even at R150 a ton, Mr von Abo said. The lowest overseas price was R112 a ton.

HIGHEST PRICES

But South Africa had the highest prices in the world for tractors, implements, fuel, farm chemicals and other farm requisites, Mr von Abo said.

As a result agriculture was in a desperate financial situation.

"Yet the fertiliser industry must be protected against losses, Dr de Villiers has decided. In the end the consumer pays for it as much as the farmer does," Mr von Abo said. "Never before have farmers and consumers been so clearly in the same boat."

A new row has erupted over the maize price which was recently increased by 16 percent.

The Maize Board claims that consumers will be paying 10 percent more for their maize than they need to because of special favoured treatment accorded by the Government to a large chemical company and its associates.

This has emerged after discussions on the fertiliser price between the Minister of Industries, Commerce and Tourism, Dr de Villiers, and representatives of the maize industry in Cape Town this week.

Dr de Villiers has ruled that the Maize Board will not be allowed to import urea fertiliser at a landed price of R203 a ton and then distribute it to farmers at about R220 a ton.

Only the members of the Fertiliser Society will be allowed to import urea and distribute it through "established channels."

According to Mr Boet Viljoen, vice-chairman of the Maize Board, this means that the chemical conglomerate AECL will import urea at R202 a ton, sell it to Triomf and Fedmis at R274 a ton for re-sale to the farmer at R341 a ton plus railage.

Increase

This would increase the cost of producing maize and raise the consumer price of maize unnecessarily, Mr Viljoen said.

Urea is an essential nitrogen fertiliser and the South African fertiliser industry manufactures only part of the country's requirements. The balance has to be imported.

According to officials of the Department of Industries, Commerce and Tourism, the Minister's ruling is intended to grant fertiliser companies larger profits than originally allowed by the price controller when he fixed 1982 fertiliser prices at about 10 percent above the 1981 level.

Imported urea reaches the farmer through three middlemen, each of whom takes a cut — first AECL then Triomf and Fedmis; and finally the co-op societies who do most of the physical handling of the fertiliser at farm level.

Discussions

In this week's discussions, Dr de Villiers ruled that of the 208 000 tons of urea needed for maize by the Maize Board, only 60 000 tons will be distributed directly.

Although the Maize Board is the legal owner of the fertiliser, it will be allowed into the country only on an import permit issued to the Fertiliser Society and the Maize Board must sell it to the Fertiliser Society at cost.

Agricultural economists calculate that, at today's prices and costs, the monopoly granted to AECL and its associates in the Fertiliser Society make a difference of about R15 a ton in the consumer price of R150 a ton for maize.

By/Hannes Ferguson,
Farming Correspondent

Maize price row erupts

Fertiliser monopoly pushes up costs, claims board

Abolish³ controls Staw maize 2/5/82 farmers

By Hannes Fergusson,
Farming Correspondent

Maize farmers are demanding the abolition of all price controls on maize as well as those on fertilisers, farm chemicals, implements and other farm requisites.

The chairman of the National Maize Producers' Organisation, Mr Henne de Jager, said in Bothaville today that price controls were ruining the maize industry.

South Africa's maize producers could not compete internationally because of price controls, levies and crippling import duties on everything they had to buy in order to produce.

The Government drove maize farmers to despair by forcing them to accept maize prices which were not related to the market and which were way below costs.

The only solution was to follow the Government's declared policy of allowing market forces to determine prices, Mr de Jager said.

"Let the market determine the maize price. But let the market also determine the prices of fertiliser, farm chemicals, tractors and implements."

Millers' expansion threatened

RDM (3) Henry
26/7/82

Tiger warns on low returns from maize

By STEVE ELLIS

MAIZE processors may have to shelve expansion plans if the controlled maize price continues to deny them more realistic profit margins.

This warning is given by the chairman of Tiger Oats & National Milling, Mr Rudi Frankel, in the annual report. "It is obvious that, in the medium to long term, the inadequate margins in question will act as a positive deterrent to further fixed capital investment."

The basic formula used to determine the end-price of wheat flour, bread and maize products allows the miller and baker a 15% return on capital employed.

Mr Frankel says that although that return may have been sufficient a few years ago, it is now out of line with the high cost of money worldwide.

"Furthermore, this inconsistency is exacerbated by the fact that, in calculating capital employed, the fixed assets used in the industries concerned are basically taken into account at their writ-

ten down historical cost." The historical values do not accurately reflect the replacement cost of the assets, and they ignore the fact that substantial amounts written off in depreciation "over and above the (normal) charges" have been set aside to finance replacements.

He also raises reservations about moves to shift industry to the independent states under SA's decentralisation plans.

The economic consequences need to be carefully considered from the outset, and well before any changes are implemented, he says.

"It would be the height of folly to unnecessarily duplicate existing production facilities."

Established and sound economic policy is in danger of being abandoned, and barriers may go up to seriously impair the well-being of both SA and the homelands.

"In the case of (Tiger Oats), ... decisions to upgrade existing mills and other facilities, and in some instances to

erect new production units, are being clouded by the danger of borders being closed."

Taken to its logical conclusion, Mr Frankel says, it would lead to the situation where a mill worth millions of rands became nearly redundant when a new mill costing even more was allowed to be built nearby.

Of the year under review, during which Tiger's board agreed to join the Barlow Rand group, Mr Frankel says most of the group's operating divisions enjoyed satisfactory growth - leading to a 25,0% lift in attributable profit to R53 407 000.

The fall in the value of the rand helped to maintain competitiveness abroad

Significant increases in the prices of bread and maize products adversely affected consumer demand at home.

"(Although, in the past, price increases generally resulted in only a temporary decline in consumption, on this occasion a meaningful revival ... has not yet manifested itself."

Mr Frankel says the continued subsidisation of basic foods remains essential if hardship is to be avoided among the lowest-income groups.

The upsurge in interest

rates, coupled with lower precious-metal prices, could lead to a painful downturn in the economy - especially if inflation is not reduced to more acceptable levels.

"(However), the rate of inflation is unlikely to abate materially this year and, if account is taken of the shortage of skilled manpower ... the present cost pressures are likely to continue (even without) the adverse change in the economic climate."

The farming community is likely to suffer from this year's poor maize crop.

Mr Frankel says it is only natural that farmers, especially those hardest hit, should seek Government assistance, even though the SA maize price has been well above world prices for some years.

The recent 15,9% increase in the maize price was, under the circumstances, reasonable.

Mr Frankel is confident that Tiger will enjoy satisfactory growth in the seven months to September - the end of this financial period should the Barlow proposal be adopted by shareholders.

The financial statements show that Tiger, like many others, has suffered a large increase in its interest charge. In the 14 months to February, the bill was R18 897 000 - 82,1% higher than in the previous year.

A 14,7% rise in stocks to R140-million, a 21,6% lift in bank overdraft to R32-million and higher interest rates were the primary causes of the inflated charge.

Interest cover fell from 4,5 times to 3,8.

However, vastly improved net cash flow and a slight fall in total interest-bearing debt has left Tiger in the sound position of being able to mop up debt in 1,27 years (1981: 2,28 years).

Total assets amounted to R641 910 000 compared with R526 295 000 the previous year, and the net asset value rose from 2 394c to 3 315c.

Unions have been classified according to the Standard Industrial Classification of all ... The full extent of the operation of the following ... has not been established:

UNIONS OPERATING IN 1981 GROUPED ACCORDING TO INDUSTRIAL CLASSIFICATION

Maize Board ^{(3) Maize} 'swamped by offers', arising from barter

27/7/82

Agricultural Correspondent

THE Maize Board has been swamped by inquiries from overseas countries wanting to barter agricultural products for maize.

This was said by a spokesman for the National Maize Producers' Organisation said yesterday.

According to the spokesman, since the maize board coup of swopping 200 000 tons of maize for 208 000 tons of fertiliser, other countries had seen that the maize board was serious in its new marketing strategy.

They wanted to exchange various agricultural goods for maize.

The spokesman said the Maize Board could import diesel fuel for about a third of the local price if it were allowed to.

It could also import tractors, tractor spares and pesticides much more cheaply than those produced locally.

He said that by exchanging agricultur-

al products for locally produced maize, input costs could be drastically reduced. This would lead to a drop in the consumer price of maize.

Many countries that wanted to swap products for maize did not have the foreign exchange and saw the barter system as another way of getting rid of their products.

If the Government still decided that it was necessary to protect strategic industries such as fertiliser then not only the farmer but the taxpayer should contribute to protecting those so-called vital industries. He said it was inconceivable that the wheat industry was subsidised by R170 million when the maize industry received only R75 million.

He pointed out that the majority of blacks in South Africa relied on maize for food.

Many agricultural industries including dairies, poultry and feedlots also depended on it.

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... what is a factor that
tensions will develop in the
their own respective functions, and if these are
this report, the council and the senate each have
As has been explained in the relevant chapter of
senate of a university should be guarded against.
Any transfer of functions from the council to the
(b)

matter at the inter-university level.
Principals (C.U.P.) should give consideration to this
From time to time the Committee of University
have efficient management, control and administration.
student population, the more essential it becomes to
various matters. The bigger the university and the
might be considered to good purpose with regard to
are unnecessarily cumbersome and that rationalisation
There are indications at present that some procedures
constant critical review by the universities.
machinery and administration should be under
The efficiency of the managerial and controlling
(a)

There are some aspects, however, that deserve to be
considered with a view to the future:

The machinery for the internal management and
administration of universities satisfies this requirement.
It is not necessary to think up new machinery since the
pattern of a council and a senate, with their respective
functions, as laid down, remains sound. Experience in
other countries has provided ample proof of the fact that
this pattern of management and administration is still the
most suitable for universities, irrespective of their
size.

fees in respect of the import contracts which the industry had already concluded, as well as all quality and other risks, are to be borne by the Maize Board.

The allegation that the fertilizer industry would make a profit of several million rand from the imports is not correct. The benefit of cheaper imports has already been set off when calculating the domestic price for 1982. The benefit or so-called profit has already been passed on to the consumer.

That a further 148 000 tons of fertilizer which represents the projected shortfall for 1983, may already this year be imported by the Maize Board. The fertilizer industry will be responsible for the handling and distribution of this fertilizer and will, after the fertilizer has been sold remit the nett return to the Maize Board for paying into the stabilization fund. However, it will not be possible in 1983 to pass on this benefit to the maize industry to other agricultural sectors on the form of a lower domestic price. The 148 000 tons of fertilizer will be sold in 1983 and possibly 1984 at the prices determined for those years. Costs and risks of storage will be borne by the Maize Board.

the imported fertilizer, will be paid into the Board's stabilization fund

(2) and (3) Fall away. 183

3) Maize Board Hansard Q Col. Importation of urea 908-910
 26/5/82
 13. Mr. D. J. N. MALCOMESS asked the Minister of Industries, Commerce and Tourism:

Whether he has given a ruling relating to the importation of urea by the Maize Board; if so, (a) what is the purport of the ruling and (b) what will be the effect of the ruling on the (i) price to the fertilizer distributors, (ii) price to the farmer and (iii) profits of the organizations who will be importing the urea?

The MINISTER OF INDUSTRIES, COMMERCE AND TOURISM:

Yes.

(a) The Maize Board was permitted to import 208 000 tons of fertilizer during 1982 in exchange for maize on the following conditions:

That the shortfall of 60 000 tons of fertilizer which was foreseen for 1982 and in respect of which import permits had already been granted to the fertilizer industry, be made available for importation by the Maize Board. This fertilizer will be taken up by the industry at the same price which was taken into account when the domestic price was determined. Cancellation

(b) (i) In the case of the 60 000 tons of fertilizer the benefit of the cheaper fertilizer has already been taken up in the final price determination to the benefit of all farmers.

In respect of the 148 000 tons of fertilizer which will be marketed in 1983 the benefit of a lower import price after all costs have been taken into account will be passed on to the Maize Board

(ii) As has been explained in (b)(i) the price of fertilizer to the farmer will not be affected directly by the import transactions

(iii) According to information supplied by the Maize Board any profits realized by the Board on

SA exported maize
at loss of R267,3m

Political Staff

THE ASSEMBLY. — South Africa exported 5-million tons of maize during 1981, selling it at a loss of R267,3-million.

The Minister of Agriculture, Mr P T C du Plessis, said in reply to questions by Mr P A Myburgh, chief Opposition spokesman on agriculture, that the average local price of maize last year was R134,15 a ton while the export price, free alongside coastal elevator, was R122 per ton.

State funds were used to finance a R72,2-million maize subsidy and a further R14,6-million consumer subsidy.

About 12% of the current crop will probably be exported at a price still to be determined, he said.

Maize production was also expected to produce a surplus.

The usual 900 000 tons would be carried over to next season, after export and domestic consumption.

20H

28/5/82

③ Maize

(35 marks)

(Note: You need not apportion the concurrent dividend (if any) over the concurrent creditors)

(a) the distribution account.

(b) the encumbered asset accounts

(c) the liquidation account

(d) a schedule of apportionment

To prepare in draft form

YOU ARE REQUIRED

(Continued)

maize in each of the latest specified five years for which figures are available?

The MINISTER OF AGRICULTURE AND FISHERIES:

(a) Production year	R per ton
1976-'77 to 1977-'78	4,903
1977-'78 to 1978-'79	16,198
1978-'79 to 1979-'80	17,350
1979-'80 to 1980-'81	11,695
1980-'81 to 1981-'82	11,862

(Calculations according to the 15 year growth curve)

(b) White maize Marketing year	R per ton
1977-'78 to 1978-'79	11,600
1978-'79 to 1979-'80	19,050
1979-'80 to 1980-'81	20,500
1980-'81 to 1981-'82	11,500
1981-'82 to 1982-'83	21,150

Maize crop

652 Mr. P. A. MYBURGH asked the Minister of Agriculture and Fisheries:

- (1) Whether part of the 1981 maize crop was exported; if so, what tonnage was exported.
- (2) what was the average (a) local and (b) export price per ton in respect of this crop.
- (3) whether the crop was exported at a profit or a loss; if so, what was the amount of such profit or loss?
- (4) Whether any subsidy was paid in respect of the 1981 maize crop, if so what was the (a) value of the subsidy and (b) source of funds used to finance such subsidy?

The MINISTER OF AGRICULTURE AND FISHERIES:

- (1) Yes, 5 078 million tons
- (2) (a) R134,15 per ton
- (b) R122 per ton (free alongside coastal elevator)

- (3) Loss of R267,3 million.
- (4) Yes.
 - (a) R72,2 million plus R14,6 million consumer subsidy.
 - (b) State funds.

Maize surplus

653. Mr. P. A. MYBURGH asked the Minister of Agriculture and Fisheries:

- (1) Whether any surplus is anticipated in the production of maize for domestic consumption in the current year; if so, (a) what percentage of the current crop will be exported and (b) at what price;
- (2) whether any surplus is anticipated after export and domestic consumption; if so, what is the extent of the anticipated surplus;
- (3) Whether storage facilities exist for such surplus maize; if not, why not?

The MINISTER OF AGRICULTURE AND FISHERIES:

- (1) Yes.
 - (a) ±12 per cent.
 - (b) Not yet available.
- (2) No, only the normal 900 000 tons will be carried over.
- (3) Yes.

3 Maize Harvest 27.5.82
 651. Mr. P. A. MYBURGH asked the Minister of Agriculture and Fisheries:

What was the increase in the (a) producer costs and (b) consumer price?





- L. O. N. A.

FARMING (3) Maize

UNIVERSITY OF THE FREE STATE
EXAMINATION

SA maize producers have challenged government to a radical trade-off which could change the face of industrial strategy in this country.

In exchange for the right to shop worldwide for their farm inputs, maize-growers are prepared to submit to open competition

YOUR CANDIDATE MUST enter in column (1) the number of each question asked (in the order in which it has been answered); leave columns (2) and (3) blank.

Internal	External
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All answer books must be numbered

Number of books handed in



SA maize ... supporting local industry?

on the home market against imported maize.

This proposal was formulated at a recent meeting in Bothaville of the executive of Nampo, the maize-growers' lobby headed by Crawford Von Abo, chairman of the Maize Board. It is to be put to growers at a meeting on June 23. If carried, it will be

conveyed to the Maize Board, which will transmit the proposal to the National Marketing Council, from where it will doubtless pass to the ministries of Agriculture and of Industries and Commerce. The buck may well pass from there to the Cabinet.

It is understood that this unprecedented challenge to government's trade policy was

prompted by the adverse public reaction to the recent announcement of a 16% increase in the consumer price of maize.

Growers were particularly incensed because critical comment on the price increase failed to take account of the "fundamental reasons" for having to raise the price. The blame, they say, rests firmly with government and its "almost irrational commitment to protect local industry against foreign competition."

Without pointing fingers at any particular sector, growers claim that quota and tariff barriers against imported inputs promotes inefficiency in domestic industry. The absence of real competition allows the price of domestic inputs to inflate at a far higher rate than those of foreign manufacturers who operate in a more open trading environment.

Maize-growers claim the price of domestic fertilizer, tractors and spares, insecticides, fuel and other production inputs was the most compelling factor that drove them to push for higher producer prices this season.

They told the *FM* this week that they nursed a sense of deep injury at having to bear the blame for the higher maize price, impacting against the disposable incomes of poor people whose staple diet is maize. Also, they object to being held indirectly responsible for expected increases in the price of meat, poultry and dairy products.

NOTE CAREFULLY

1. Enter at the top of each page and in column (1) of the block on this cover the number of the question you are answering.
2. Blue or black ink must be used for written answers. The use of a ball point pen is acceptable. Red or green ink may be used only for underlining, emphasis or for diagrams, for which pencil may also be used.
3. Names must be printed on each separate sheet (e.g. graph paper) where sheets additional to examination book(s) are used.
4. Do not write in the left hand margin.

WARNING

1. No books, notes, pieces of paper or other material may be brought into the examination room unless candidates are so instructed.
2. Candidates are not to communicate with other candidates or with any person except the invigilator.
3. No part of an answer book is to be torn out.
4. All answer books must be handed to the commissioner or to an invigilator before leaving the examination.

Any dishonesty will render the candidate liable to disqualification and to possible exclusion from the University

Maize Board's ^{③ Maize} swop policy 'a ^{③ Control} threat to ^{29/5/82} economy' ^{Mercury}

Agricultural Correspondent

THE Maize Board's new policy of swapping maize for fertilizer or other agricultural goods could have a serious effect on the country's economy and could destabilise the agricultural industry, according to a highly placed source in the South African Agricultural Union.

He said the National Maize Producers' Organization (Nampo), which represented about 7 000

farmers, could expect other sectors of the agricultural industry to demand the right to import agricultural goods which were cheaper overseas.

The fruit, dairy and wheat industries could also lower their production costs if they were allowed to import fuel, tractors, spares, herbicides and fertilizer; however this could have a negative effect on the economy.

He said it was normal

practice for any Government to protect strategic industries for the first couple of years and then to diminish the protection gradually.

He said it was vital for the country that more industries be developed to create more employment.

The Atlantis diesel engine project in the Cape was one such project, he said.

If imports were allowed because they were cheaper than the locally produced goods, then it would only mean that maize might be sold a few rands cheaper a ton.

But the country would be left poorer without the benefits derived from local industries.

He said that over the past couple of years Nampo had not received the prices for maize that it wanted.

According to the source farmers had been promised between R180 and R200 a ton.

'Now they have to explain to the farmers why they could not manage to do this.'

Realistic

Nampo had used the excuse that soaring production costs were to blame for the farmers' plight.

'Nampo is now telling the Government to pay them what they believe is a realistic price, or to allow the industry to import some of their agricultural inputs,' he said.

He told the Mercury the Government had already been unable to withstand Nampo pressure by allowing them to import 208 000 tons of urea in exchange for maize.

③ Maize

'End maize controls'

Farming Correspondent
Maize farmers are to press for free trade and the scrapping of controls.

The National Maize Producers' Organisation (Nampo) has convened a special congress in the Selborne Hall, Johannesburg, on June 23. It will discuss the lifting of price and import control, import duties, levies and excise on maize as well as tractors, fertiliser and other farm requisites.

The general manager of Nampo, Dr Pieter Gouws, said in Johannesburg last week that the maize industry

could not survive within the framework of the present maize scheme and the policy of over-protecting industry.

Behind high tariff walls the manufacturers of fertiliser, tractors, farm chemicals and other farm inputs exacted ever-rising subsidies from the farmer.

Dr Gouws said that as a result the maize farming industry was this year making a loss of R641 million on a crop of 8 million tons. Three years ago, a crop of the same size allowed the farmers to

break even.

Within the framework of one-channel marketing, the market should determine prices. The trade in maize should be completely liberalised, including its importation. But the same should apply to the industries supplying agriculture.

Where an industry of strategic importance deserved protection, the maize farmer should share in the decision-making process just as consumers, maize millers and processors had an effective say during Maize Board discus-

sions.

Protection of industry should be conditional on its efficiency, Dr Gouws said. He called for the immediate release of the report of the Pistorius Commission of Inquiry into the fertiliser industry.

Economists commented that Dr Dawie de Villiers's recent fertiliser profit ruling had now stirred up a hornet's nest. With their backs to the wall, farmers had now turned upon the middleman and the inefficient manufacturer of farm requirements.

Nampopo's ^{(3) Mervyn} maize quota plan makes farmers jittery

THE introduction of a quota system for maize farmers would cut right across Government policy and would not be practical, according to sources in the South African Agricultural Union.

A senior SAAU official said at the weekend that moves by the National Maize Producers Organisation (Nampopo) to discuss the introduction of maize quotas at the June 23 congress have to be taken seriously by farmers and consumers alike.

He said that if a quota system was imposed it would be the end of free decision making by farmers. Moves to apply a quota would be to tally against the whole trend of the economy which was moving to a more market-related economy, he said.

Agricultural Correspondent

According to the spokesman who cannot be quoted because Nampopo is affiliated to the SAAU and takes its own decisions, the quota system had been tried in the United States and had failed. Applying a quota would mean that farmers would have to intensify their production effort.

It meant that farmers would not be allowed to plant on marginally productive areas. The intensification meant that farmers in the United States had found that production costs did not drop with reduced hectareage.

Because of this the US Government had been forced to pay out farmers for their potential loss of income in the areas they had not used. He said the lesson to be learned from the US was that intensive

farming did not necessarily increase the crop and often involved higher production costs.

He said the biggest danger of this system in South Africa was that the climatic risk factor was very high. He used this year's maize crop as an example. Last year the industry produced a record 14 million tons on the same area that produced only 8 500 000 tons this year. If as a result of the bumper crop last year, farmers had cut back on their total hectareage, the crop this year would have been about 4 000 000 tons. This was at least 3 000 000 tons less than the domestic consumption of maize. Maize would then have to be imported.

However there was a shortage of white maize in

the world and even if supplies had been obtainable they would cost about R30 a ton more than domestic maize.

He said the Minister of Agriculture, Mr P T du Plessis, had indicated at the Agricultural Outlook Conference in January that he would not be party to any interference in the manner in which farmers went about their business. He is quoted as saying that under no circumstances was he going to take the responsibility of telling farmers how much to plant then having to import maize in times of shortages.

The SAAU spokesman said farmers were becoming uneasy about Nampopo's approach to farming as it was having an unsettling influence on the industry.



UNIVERSITY OF EXAMINATION

SEC

ing inputs. The increased costs are largely attributable to government's protection policy for important segments of local industry.

The maize farmers hit the headlines recently (*FM* May 25) with a proposal to free the maize price in exchange for the right to shop around the world for necessary agricultural inputs like fertilisers — so by-passing SA's overprotected high cost industries.

As things stand, farmers are facing nothing short of bankruptcy, says Gouws. Based on a recent study undertaken by the Department of Agriculture and Technical Services, Nampo has shown that the average group of farmers, excluding both the mealie barons and marginal units, is operating heavily in the red under current economic conditions.

Gouws explains that what the maize farmers want as their first option is a "two-tier arrangement." Farmers would be guaranteed the sale of a specified quantity of maize on the local market at a fixed price. The total quantity to be marketed in this way — and the price from year to year — would be adjusted to reflect scientific studies of what the local market could absorb. The aim would be to set prices at levels which would encourage a gradual increase in consumption without setting prices destructively low for the average maize farmer.

But farmers who wanted to compete on

world markets at world prices would be free to do so under this proposal without any restrictions, subsidies or controlled price whatsoever. So it is entirely wrong to suggest that farmers positively want to shut down SA's maize exports or freeze total output.

The idea for a two-tier system is not a new one, says Gouws — it has been kicked around in academic and business circles for years. But it has been given new urgency



by the crisis that has now arisen.

The proposal would appear to require — as an indispensable concession from government — some relief on the cost of farm inputs, whatever form such concession took.

Only if adequate concessions are not forthcoming, will farmers be forced to

All answer books must be numbered

Number of books handed in | 11

MAIZE *FM 11/6/82*
Nampo speaks

Contrary to ³ some recent media suggestions, SA maize farmers are not in favour of restricting over-all maize output through a system of quotas. Only if reasonable marketing arrangements cannot be arrived at with government will the maize farmers be forced to such a desperate expedient, Dr Pieter Gouws, Chief Executive of Nampo (National Maize Producers' Organisation), tells the *FM*.

But that over-used word "crisis" now has real application to the maize industry — squeezed between a controlled price and the increasing burden of the costs of farm-

you are switch to the second option, which would be a rigid restriction on planting to limit production to what the local market could absorb. The implications for the SA economy would, of course, be severe, both in the loss of export earnings (which have run as high as R1 000m in some years) and in the reduction in the size of the market for inputs like tractors and fertilisers.

Paper N This counsel of desperation would imply a rigid and strictly policed production quota for all maize farmers.

Gouws says the SA public is not yet really in the picture about the extent to which farmers' production costs are forced up by industrial protectionism. To take one example only, urea (an important nitrogenous fertiliser) costs farmers about R340/ton

NOTE (from SA sources. American and Argentinian farmers pay only \$150/ton, or less than R170/ton at the current exchange rate.)

1. Nampo is not arguing that the entire policy of industrial protection should be abolished at the stroke of a pen. The farmers recognise that there may be sound strategic or economic arguments for fostering a local industry. But the present method of protection is unsound, because of the way it bumps up the local cost structure. It is the method of protection which is being challenged, rather than the principle. (e.g. An emergency congress of Nampo is scheduled to take place in Johannesburg on June 23. In the opinion of the *FM*, govern-
2. Do

ment will ignore at its peril the sound economic logic inherent in the farmers' criticisms of the present system of industrial protection.

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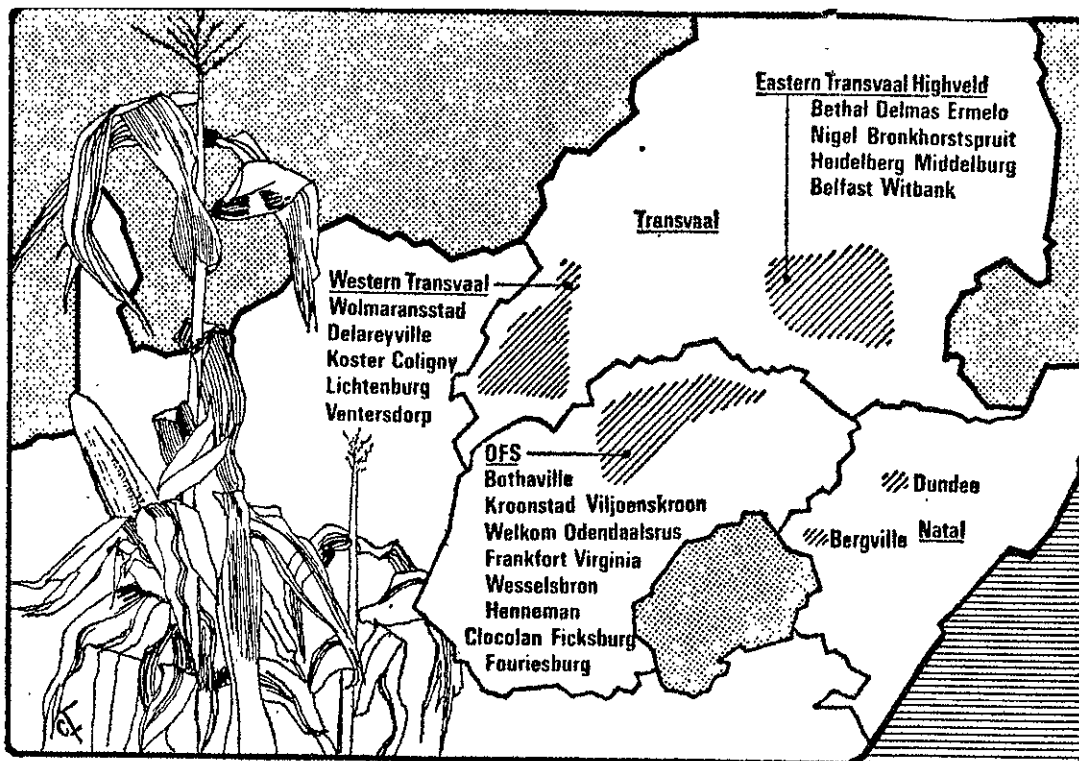
ation Paper)

Examiners' Initials

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South Africa's high-yield maize-growing areas which, under the proposed quota system, would provide virtually all the country's maize. Other areas would switch to cattle farming.

By Hannes Ferguson
Farming Correspondent

South Africa's maize production may be drastically cut by the introduction of a quota system which could force some growers to switch to stock farming.

Farmers expect that plans for a two-price system will be discussed at an emergency congress of the National Maize Producers Organisation in Johannesburg on June 23.

Such a system would discourage maize growing outside the high-producing "maize triangle."

The change-over would result in a smaller maize surplus for export.

It could slightly reduce the price of maize to the consumer. But the economy would be hard-hit.

Experts believe:

- The R500 million to R1 000 million of foreign currency which the maize industry was earning would fall

Maize quota system could hit economy

Maize
Sten 8/6/82

away. This would seriously weaken South Africa's balance of payments, already about R2 000 million in deficit.

- It would reduce tractor and implement sales and manufacture to a trickle within a few years threatening the future of six tractor firms and the Atlantis diesel engine project. It would cause heavy unemployment, affecting up to 300 000 workers on farms and in factories.

- It would accelerate depopulation of country districts and towns outside the

maize heartland, causing more economic stagnation and idling of production resources.

- The further development of Richards Bay would have to be scrapped.

Maize farmers said they realised the problems but their hand had been forced by disastrously low fixed maize prices and by a ministerial ruling that the Maize Board would not be allowed to land the fertiliser it had profitably bartered overseas.

Producers had to seek survival outside

the present marketing framework, they said.

Agricultural economists said areas expected to continue maize production after introduction of the quota system included all districts yielding more than two tons of maize a hectare.

There are 12 such districts in the Free State, six in the Western Transvaal, nine in the Eastern Transvaal highveld and two in Natal.

In all, their average production is 6,3 million tons, which is what the local market can absorb. Any balance would then be exported at lower prices.

Dr A S Jacobs, vice-president of the SA Reserve Bank, said there might be some merit in the quota system. It was true that the balance of payments would be affected, but South Africa would also have to import less fuel and fertiliser and fewer implements.

Subsidise maize' call

3 May African Affairs Correspondent *Harvey*
23/6/87

ULUNDI—The KwaZulu Legislative Assembly yesterday urged the Government to consider subsidising maize products and also called for the inclusion of blacks on bodies such as the Maize Board.

In a motion introduced by Mrs Willel Yengwa of Umlazi the Assembly called for implementation and monitoring of price control measures on maize products

Mr M M September of Mahlabatini deplored the recent increase in the price of maize, the staple food of black people.

Prince Gideon Zulu of Eshowe said black people were forced to watch the

export of maize in order to encourage friendship. Charity began at home, he maintained

In a second motion, introduced by Mr Steven Sithebe of Emnambithi, the Assembly called for the inclusion of blacks on bodies such as the Maize Board and the board of governors of the SABC.

Mr Sithebe said blacks wanted to sit alongside the people who produced maize. As major maize consumers, they contributed heavily to the maize industry.

Similarly, he claimed, blacks should sit alongside whites on the board of the SABC.

Blacks made up an overwhelming majority as far as listenership was concerned Mr Sithebe said.

③ Maize (M/S)

Govt's protection policy 'could doom maize production'

Mail Reporter

PROTECTION by the Government of certain industries at the expense of the maize industry could spell the end of profitable maize production.

The chairman of the Maize Board, Mr C von Abo, told this to 1000 farmers at a special congress of the National Maize Producers Organisation in Johannesburg yesterday.

He said import tariffs for fertilisers, implements, weedkillers and seeds from overseas were forcing farmers to buy local products at high prices.

The controls should be abolished, he said.

He said the maize industry remained one of the most important sectors in the employment of rural-based black workers, employing nearly 11% of the black rural population.

He also pointed out that continued subsidisation of other industries — such as those producing fertilisers, and machinery — had lost the maize industry R150-million over seven years.

Mr Von Abo added that though a yield of 8-million tons in 1979 had secured a profit of nearly R34-million, the same yield this year was expected to show a loss of R639 million.

A continued increase in expenditure without a parallel increase in income would force farmers to limit production.

South Africa could do without subsidised local industries but not without a maize industry.

Nampo economist, Dr C F Le Clus, called for an investi-

gation into the policies governing the marketing and production of maize.

He said prices of farm implements, fertilisers and other chemicals in developed Western countries, were significantly lower than those in SA.

For example the local price of two brands of weedkillers was 48% higher than the world price. He called for an end to protection of the local industry so competitive weedkillers could be imported.

A request for an increase in the fertiliser price, if granted, would put local prices 110% higher than overseas.

The manager of Nampo, Dr P J Gous, said SA farmers trading on the world market would have to concentrate on quality, meaning higher production costs.

Local maize costs far more than imported maize, and the prices were not determined by free market forces but by politicians, he said.

He proposed three alternatives: limited production, self-control by altering the status quo in the industry, or accepting a free-market situation and allowing prices to be determined by supply and demand.

The farmers unanimously decided to follow the trends operating in the free market and empowered the Nampo executive to ask the authorities to grant autonomy to the maize industry.

Dr Gous said if the proposal was accepted, farmers would be able to import fertiliser and machinery without having to obtain import permits and pay protection tariffs.

3 May

GENERAL NEWS

SA economy 'is not free'

Farming Correspondent
With so much over-protection of industry around us we should not think South Africa had a free economy, Mr Marcus Swanepoel, an executive of the Free Market Foundation, said yesterday.

Mr Swanepoel told the congress of the National Maize Producers' Organisation, in Johannesburg, that high prices paid for protected manufactured goods meant that investment into more profitable directions became impossible. Employment

created by protected industries meant less employment in other directions.

No one would object to strategic industries being assisted but such assistance should be borne by the community as a whole, not by the few people who bought the protected commodity.

It was a mistake to imagine that South Africa had a free economy, Mr Swanepoel said. Tariffs, quotas, permits were everywhere and socialism abounded.

Maize farmers urge removal of controls

**By Hannes Ferguson
Farming Correspondent**

Maize farmers, who feel their survival is being threatened by government controls, have made a turnabout move in pressing for a free economy.

Farmers invaded Johannesburg yesterday when the National Maize Producers' Organisation (NAMPO) held an emergency congress in the Selborne Hall.

Consumers' representatives and spokesmen for commercial interests joined farmers in condemning unnecessary price controls.

They said the farmer was caught between controlled producer prices, which ignored market forces, and controlled fertiliser, tractor and other input prices that subsidised local manufacturing.

The chairman of the Maize Board, Mr Crawford von Abo, said the maize industry earned more than R600 million in foreign exchange.

COSTS

Farmers employed 25 percent of all black workers, compared with 11 percent by the mining industry. Almost half of all the farmland was planted with maize, Mr von Abo said.

Maize exporters had paid R123 million in fall tariffs and R7 million in harbour dues. The industry was an expanding dynamic force, but it was compelled by controlled prices to produce at an increasing loss.

The point had been reached where the maize industry had to be helped to continue to prop up the ailing economy or be cut back to producing solely for the domestic market, Mr von Abo said.

The deputy director of NAMPO, Dr Kit le Clus, said the industry this year made a nett loss of R639 million.

The purchasing power of a ton of maize in terms of fuel, fertiliser and tractors had declined by 40 percent since 1974. This was because prices of maize and farm inputs were not dictated by market forces, but by the Cabinet.

PRICES

World prices of fertiliser, farm chemicals, diesel fuel and tractors were declining, yet the prices South African farmers had to pay for them were rising steeply.

Government protection of nitrogenous fertiliser amounted to about 40 percent of local price. Fertiliser protection had started by protecting local manufacture, but had become the mere protection of outrageous mark-ups.

Protection of weed-killers and insecticides was in the region of 40 percent of local prices.

The director of NAMPO, Dr Piet Gouws, said it was clear farmers could make both ends meet only in exceptionally favourable years.

In this situation,

there were three options:

● To limit production of maize to what the domestic market could absorb. This would cause large surpluses of other farm products, ruin South Africa's balance of payments, eliminate about 100 000 jobs and cause stagnation in many country districts.

● To continue as now, pushing thousands of farmers out of farming, relying on inadequate controls and asking the Government for subsidies to keep alive. This was clearly against present Government policy.

To press for a free economy in accordance with the Prime Minister's objective as spelt out at the recent Good Hope conference. Within the framework of one-channel marketing, the price of maize should be market-related.

POLICY

Because there was no fertiliser, fuel or tractor protection on the foreign markets on which the farmer had to sell his exports, this should also lead to a free fertiliser economy, a free tractor economy and a free agricultural economy generally.

Dr Gouws said the Minister of Agriculture had asked that maize farmers should formulate maize policy. It was up to the congress to show its hand.

The result of the congress was an overwhelming vote for a free economy.

MAIZE

③ MAIZE FM 25/6/82

Free market fight hots up

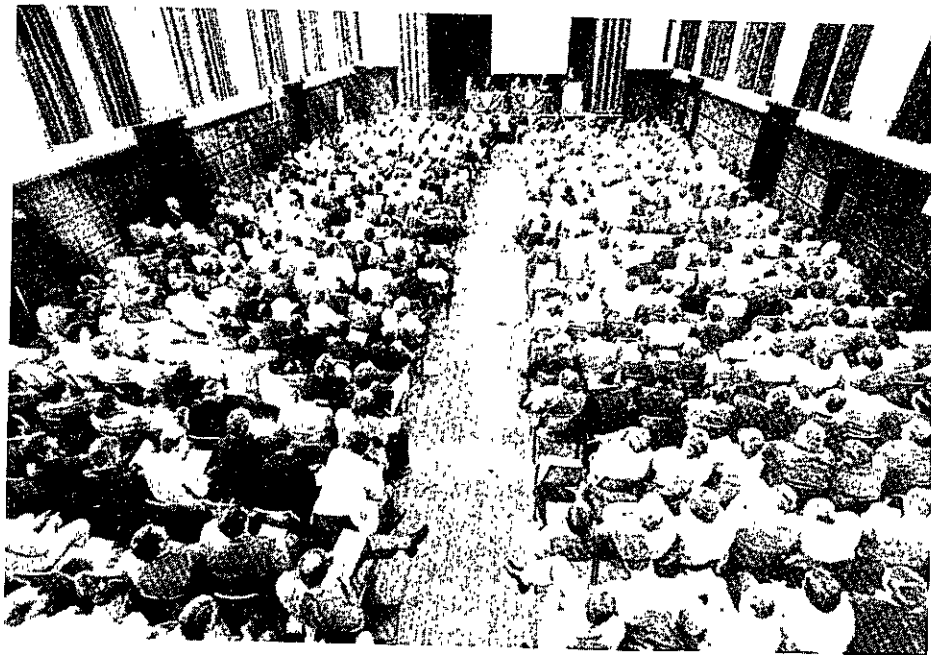
This week's decision by maize farmers to opt for a free enterprise approach to the industry could have vast implications for the SA economy. If government responds to the call by Nampo members, it will mean a total restructuring of a number of local industries that are currently protected from competitive imports.

Unanimously, 340 Nampo voting members asked for all maize industry raw materials and other inputs to be freed from import permits and tariffs. They also argued that restrictions on local maize wholesale buyers be lifted. Under the new system put forward by the nampo executive, any local consumer who does not wish to buy from the Maize Board (MB) will be free to import without permit or tariff.

However, as far as the local maize producer is concerned, the MB will remain the sole purchaser of maize.

Nampo Chief Executive Piet Gouws explains the reasons for the change in attitude. "Maize producers prefer — within the order of the one-channel marketing system — to move as quickly as possible towards an actual market-oriented economy for the industry. Further, we want the prices we get for our maize to be market-oriented, as well as the costs of inputs which must be free from subsidy protection."

Gouws admits that the idea of one-channel control sounds contradictory to the principles of a free market. He argues,



Meeting of the mielieboere ... favouring an (almost) free market

however, that as maize producers sell in two markets — local and export — it is appropriate. "The prices in the two markets obviously vary. So, just as the local consumer has a cost advantage by buying locally, so the consumer abroad has a cost disadvantage buying from us.

prices. As long as the prices are no higher than those ruling in the international markets, we are happy."

He cannot afford to pay us as much for our maize as local consumers. Besides," he adds, "it would be difficult for individual farmers to sell their produce effectively overseas."

He argues that the system of one-channel marketing, therefore, remains important to ensure that every maize producer, especially the smaller farmer and those situated far from the marketing areas, get a fair share of the local market.

"The principle of a free market still holds true, however, for the purchasers, because they will be able to import easily." In this, claims Gouws, lies the protection of the local consumers. The right to free imports, he argues, will prevent the MB from enforcing unjustly high local prices.

Now that Nampo has consensus on the issue, says Gouws, it intends taking the matter to government. In Gouws's opinion this should not be a problem. "Our decision is in line with the government's policy, namely that of a free market."

He does not feel that the system, if implemented, will be disruptive to the economy. "We cannot find fault with the fact that Foskor is the sole local seller of rock-phosphate, or AECI of nitrogen/azote. However, prices must be related to world market



Nampo's Gouws ... one-channel marketer

~~(3) Maize (185)~~ D. Dispatch 3/8/82
Ciskei board sets maize prices

KING WILLIAM'S TOWN — The Ciskei Marketing Board has announced new producer prices and marketing arrangements for maize grown in Ciskei.

According to a statement released yesterday the gross price per ton of white maize grade one is R175,05, and the net pro-

ducer price per 70 kg bag is R11,90. The gross price per ton on grade three is R167,45 and the net producer price per 70 kg bag is R11,38.

For grade one yellow maize the gross price per ton is R175 and R173,60 for grade three. The net producer price per 70 kg bag is R11,90 for grade one and R11,80

for grade three. The levy per ton for all grades is R5.

The board said all shelled maize delivered to the board would be subject to the same standards of grading and acceptance which applied in South Africa.

To assist the rural producer to market maize,

collection points would be identified in consultation with Department of Agriculture and Forestry officials in each district. Producers would be able to deliver their maize to these points on specified dates.

On the day of collection a board marketing team would visit the

area with a lorry, scale and proper bags for those farmers who might not have any.

Farmers intending to use the prescribed marketing scheme were requested to contact their local agricultural extension officers or the board's marketing officers — DDC.

DOM 20/7/82
Maize unity.
talks held
Mall Reporter
HIGH level discussions were recently held between South African and United States maize industry representatives to discuss the forming of an international maize body.
This was disclosed yesterday by Dr Piet Gous, chief manager of the National Maize Producers Organisation (Nampo).
Dr Gous said Mr R W Mullins, president of the National Corn Growers Association of America, had been invited to South Africa by Nampo. He had discussed the possibility of forming an international body of maize exporting countries

3) ~~Map~~ SA-US maize link on the cards *Stew 15/7/82*

Pretoria Bureau South Africa and the United States might co-operate in developing maize-export markets.

The president of the American Corn Growers' Association, Mr Bill Mullins is in South Africa as the guest of the National

Maize Producers' Organisation (Nampo).

The general manager of Nampo, Dr Piet Gouws, said that discussions would aim at the establishment of an informal maize exporters' club with South Africa the US, Argentina and France as members.

Many countries could still be developed as maize - export markets and a good understanding among exporting countries could prevent disruptive competition.

Joint market development did certainly not mean any kind of cartel. It would be a constructive effort to

foster international grain trade, Dr Gouws said.

Mr Mullins said that the American maize market was in a bad shape and about 10 percent of maize farmers could go bankrupt this year.

Exports were already

36 percent of the crop, Mr Mullins said.

A better export realisation would immensely help American maize farmers and his talks with Nampo and the Maize Board could pave the way for more orderly grain-export efforts.

Unsold maize a burden on SA—Horwood

By GERALD REILLY
Pretoria Bureau

THE Minister of Finance, Mr. Owen Horwood, yesterday chided the Maize Board and building societies for exacerbating the prevailing tight financial state of the economy.

Speaking at the Congress of the SA Property Owners' Association in Durban, he said a great financial strain had been placed on the economy by the vast quantities of maize unsold from the 1980 and 1981 crops.

The situation was embarrassing, and he "urgently" asked the board to resolve the "vexing problem".

The strain was increased by the consequences of the building society movement's "funding spree" in 1980.

Mr Horwood said a huge amount of R1 554-million would be needed to finance maize stocks during 1981/82.

The Minister said in 1979/80 the amount needed to

finance the maize crop was about R758-million. This was provided by the commercial banks through the Land Bank, and was largely liquidated as the stock of maize was sold.

The short-term credit extended by the commercial banks through the Land Bank to agriculture in 1980/81 amounted to R2 300-million, and for 1981/82 a further R800-million was required the Minister said.

A significant part of this large increase was attributable to the financing of the record 1980/81 maize crop.

Because of the slow export of that crop, there was a large carry-over to the 1981/82 season. An estimated R1 554-million would be needed to finance the crop and exceptional means would be required to do this.

Mr Horwood said in 1980, when money was plentiful, building societies took in exceptionally large funds, including corporate funds, well knowing that a considerable

part of the funds would be withdrawn from the societies when the excessive liquidity conditions gave way to a tight financial market.

"That is exactly what has happened, with far-reaching consequences for bondholders, both existing and potential."

When unfavourable development "raised its ugly head" and the building societies resorted to frequent increases in the mortgage bond rate, an official commission of inquiry was appointed. The commission's report was now being studied.

Neither the chairman of the Maize Board, Mr Crawford von Abo, nor the general manager of the board, Mr Hennie Nel, would comment last night on Mr Horwood's statement.

They would comment, they said, once they had studied the text of the Minister's speech.

Ministers in maize maze

(3) Maize Star 14/8/82

Farmers have accused two Cabinet Ministers of conducting a public slanging match at the expense of the Maize Board.

Maize producers are angry with the Minister of Transport, Mr Hendrik Schoeman, for giving away maize industry trade secrets during a speech in Delmas.

Replying to allegations made last week by the Minister of Finance, Mr Owen Horwood, Mr Schoeman said the largest tonnage yet had been railed to the ports for export last season.

But he blamed the Maize Board for not always making sure there were ships to empty overflowing maize silos in time at

the ports.

As it was, only 5.1 million tons of maize out of the planned 5.3 million tons were actually exported.

This was highly classified information, shocked maize farmers complained.

Last week, Mr Horwood said in Durban that the Government and the Reserve Bank were greatly "embarrassed" by the large amount of maize stocks not exported. The maize had to be financed in unorthodox ways.

Mr Horwood said stocks should be transported in a less leisurely way, a call directed at Mr Schoeman, farmers commented.

The maize and may nots of the game

(3) Maize Star
18/8/82

By Hannes Ferguson

Farming Correspondent
An in-depth study of maize marketing, commissioned by Assocom, has recommended major reforms broadly supporting the views of farmer organisations.

The report by farm consultant Mr J E Harrison, in co-operation with Professor W E Kassier of Stellenbosch and Professor J A Groenewald of Pretoria found that:

● Domestic maize consumption was stuck at the 6 million ton a year level. The export surplus was expected to exceed eight million tons on average by 1992.

● Profitability of maize farming had declined drastically between 1972 and 1982, largely because of Government action. Prices were either "world" prices or domestic prices fixed in accordance with anti-inflation priorities.

● Costs were dominated by import duties. As a result, South African farmers had to pay more for their requirements than maize producers in other exporting countries.

● Maize was used for human consumption and animal feed. There was no economic alternative use and maize farmers had no alternative crops to which they could switch.

● Lower maize prices would not sub-

stantially increase consumption. They would also not cause farmers to produce less maize.

● If maize were to be imported from overseas, it would land in the main consumer areas at higher than present domestic prices.

● Maize figured largely in South Africa's economy. It had a substantial impact on the cost of living of the poorer sections of the population. It was also an important earner of foreign exchange.

The report recommended that no restriction should be placed on the importation of maize or maize products. Manufactured farm inputs would be obtainable on the same basis. The cost of protecting local suppliers should be carried by the economy as a whole.

These recommendations supported views repeatedly expressed by the National Maize Producers Organisation.

The report also recommended scrapping of regulatory powers of the Maize Board, including one-channel marketing by which the board is the only buyer and distributor of maize. An independent body should determine floor prices.

The producers' organisation and the Consumer Council disagreed with this recommendation, however.

Maize Board to retain ^{(3) Maize} sole control ^{19/2/82}

By Hannes Ferguson
Farming Correspondent

The Maize Report by the Association of Chambers of Commerce has drawn immediate reaction from the Minister of Agriculture, Mr J J Greyling Wentzel.

In a statement issued in Pretoria yesterday he said he was not prepared to remove the regulatory powers of the Maize Board, including one-channel marketing in which the board was the only purchaser and distributor of maize.

Mr Wentzel said he would not abandon the maize industry to the chaos in which it had been before the Marketing Act was passed in 1937. Any disruption of the maize industry would affect the entire agricultural sector and

manufacturing industries linked with maize production.

But he was careful to leave the door open to the introduction of market-related distribution of maize within the framework of the Marketing Act. He had asked the National Marketing Council to review maize pricing and marketing.

The Assocom report, also released yesterday, recommended that no restriction be placed on the importation of maize or maize products, that the price of maize be dictated by market forces and that fertiliser, tractors, insecticides and fuel be obtainable on the same basis. The cost of any protection of local manufacturers of farm requisites should be carried by the economy as a whole and not by the buyers of manufacturers' products only.

HOT on the heels of the recent congress of the Maize Producers' Organisation (Nampo), another important report into the maize industry has recommended the freeing of the industry from its controls.

The report by SA Farm Consultants was commissioned by the Association of Chambers of Commerce of South Africa (Assocom). It calls for various steps to be taken to help correct many of the anomalies in the South African maize industry.

The consultants recommend:
● The lifting of restrictions on the importation of maize.
● The withdrawal of the regulatory powers of the Maize Board and dropping restrictions on the sale of maize.

● The establishment of an independent body, with equal representation of producers and consumers, which could determine the floor price of maize.
● An investigation by the Minister of Finance into maize subsidies for different income groups.

Many of the ideas are controversial and Assocom prefaces the report by stating that its views do not necessarily reflect those of the association.
The background to the "meale row" essentially revolves around the fact that maize forms the staple diet of many of this country's poorer people. It is at the same time, more expensive in South Africa than on the world market.

Although a foreign exchange earner, maize is exported at a loss and is produced by a very powerful lobby of about 7 000 farmers.

Over the past 25 years maize production has increased from less than 4-million tons a year to about 10-million tons which are planted on about 4 500 000ha, mainly in the Kroonstad area.

Maize income represents about 25% of the total income of South African farming — although a severe drought in a year can reduce this percentage by 30%.

Domestic consumption of maize has risen from 5-million tons in 1970 to 6-million tons today and is about equal to

Free the mealie, call grows louder

PAT SIDLEY reports on a study of the maize industry commissioned by the Association of Chambers of Commerce.

animal consumption. This is an unusually high ratio.

The world maize price is lower than the South African domestic price — maize sells here at R150 a ton and in the United States at about R125 a ton.

But, the report says, imported maize would still cost 25% more than the domestic price after it had been landed in the country.

Around 4-million tons of maize are exported annually. The value in 1977/78 for exports was R370-million which rose in 1979/80 to R340-million. If last year's record crop could have been moved out of the country, it would have been worth R900-million.

The report says agricultural control systems in South Africa are similar to those in socialist countries. It adds that State intervention in agriculture in this country should only be justified in such exceptional cases as droughts or floods, and for keeping strategic areas like the Northern Transvaal populated.

"It is difficult to perceive any of these justifications for State intervention applying to the maize industry in general," says the report.

At present State intervention in the maize industry has two effects:
● It inflates the prices that farmers have to pay for many items used in the production of maize.

● It sets a price for the consumer which

is undoubtedly higher than the free market would have established.

The report claims that if price controls were to be lifted — which is unlikely — prices would rise only initially.

Such a move would have to be accompanied by the elimination of import controls and protected prices for items such as fertilizer and chemicals.

Maize at present has a subsidy and the report agrees that while subsidies may be necessary, it is unfair to subsidise those who can afford it.

It unequivocally says that the State, and not the consumer or producer, must bear the cost of all subsidies.

The report comes down heavily on protection.

South African farming, it says has suffered severely as a result of protection over the past decade.

Although some farming produce may suffer from a free market, the maize producer should have nothing to fear from a free market.

The report says about 62% of the costs of producing maize is accounted for by commodities which are subject, either wholly or to some extent, to price control. The main items are fertilizer, chemicals, fuel and capital equipment.

The report endorses such moves as the recent banter of foreign fertilizer for South African maize — a move which has been opposed by the fertilizer industry.

"One ton of maize has apparently been exchanged for 1,04 tons of urea (fertilizer) valued at R355, which represents a very healthy price when compared to other export sales which are averaging no more than about R116 a ton," says the report.

After all the costs have been taken into account there will still be a profit for the maize farmers and the fertilizer industry which, despite its pleas to the contrary, will not be losing money this year.

The report says objections to the barter provided "an excellent example" of "too many controls coming home to roost".

"The correct procedure for the Government to take would be to free the fertilizer trade immediately from all forms of control — prices, import licensing, provision of subsidies, siting of plant and probably also the de-nationalisation of Phoskor... a similar procedure could well be followed for farm chemicals, both plant and livestock," the report advocates.

The report envisages no changes in the use of maize.
Giving figures on major users of maize, the report argues that if the SA price of maize were to drop to the US price, this would reduce the cost of a chicken by about 2c to 3c a bird, saving about R1 500 000 a year to a producer of 1-million birds a week.

A 10% drop in the maize price would reduce the price of eggs by 2c a dozen — but would not increase consumption at that price level.

The only area where a significant price reduction would make a difference would be in the dairy industry where a 20% decrease in price, with all other inputs constant, would stimulate the consumption of milk and dairy products — which are worldwide in a decline.

For beef production, where maize is used on feedlots, the report notes that the maize price has little effect on price decision-making, but feedlot owners could benefit from lower prices.

As far as the consumption of maize by livestock is concerned it appears unlikely that reduction of maize prices to a so-called "export parity price" would have any measurable effect on the total volume of maize consumed.

It would benefit milk producers and milk consumers and could well provide a much needed boost for a depressed industry. Consumption of other livestock products would not increase appreciably in the short term but lower prices to the consumer would be to the advantage to the country.

Maize consumption peaked at about 3-million tons in 1980/81 but dropped by 67% in 1981/82.

A small amount of maize is used in "industrial consumption" but about 2 600 000 to 2 800 000 tons is used for "animal consumption". This figure includes farmers' rations for their workers on the farms.

About half the 2 800 000 is used by the Balanced Feed Industry for resale to livestock farmers.

The remaining 1 400 000 tons "less the unknown quantity used for feeding labourers" is used for feeding livestock on the farms on which maize is grown.

If the price of maize dropped, the feed industry would not use more maize as the amount of maize in the feed mix does not depend on its price.

2004
19/8/82
③ Maize Board
~~Control~~ Boards
Maize controls will remain — Minister

Pretoria Bureau

THE lifting of controls in the maize industry was unacceptable, the Minister of Agriculture, Mr J J G Wentzel, said in a statement in Pretoria last night.

In a sharp response to an agricultural report on the maize industry published earlier this week, the Minister stated: "I'm not prepared to lead the mealie industry back into the chaos in which it was placed before the Marketing Act was passed in 1937."

The report, by Assocom, had recommended the freeing of the industry from controls.

It also recommended the lifting of restrictions on the importation of maize, withdrawal of the regulatory powers of the Maize Board and dropping of restrictions

on the sale of the crop.

Mr Wentzel said last night the mealie industry had grown under the Marketing Act into the important industry it was today.

The growth value of the crop during 1980/81 ran to R1 700-million. Mealies worth R640-million were exported and earned South Africa valuable foreign currency.

Any disturbing of the industry could have a disruptive influence on the rest of the economy, he said.

However, Mr Wentzel said the time had apparently come to look again at the marketing regulations for mealies.

He said he had instructed the National Marketing Council to investigate the present control regulations on mealies, including the price fixing method.

Nampo welcomes maize report

Financial Editor

THE REPORT commissioned by the Association of Chambers of Commerce, which recommends that the Maize Board's regulatory powers should be withdrawn, has been welcomed by Nampo (the National Maize Producers' Organisation).

The report, compiled by an independent agricultural management consultancy company, recommends maize should be sold to any interested purchasers with the ability to pay.

Dr P Gous, chief executive of Nampo, said they wanted to study the report fully, which they welcomed as a critical study of the industry and which agreed with a number of decisions at their recent congress.

Nampo would agree with the proposals that maize be sold at world-related prices. It should be possible to import if the price was lower but at the same time they did not wish to 'harm' the tractor or fertiliser industries as a consequence of freer maize imports.

Dr Gous said that South Africa was past the time for subsidies — they could not be 'sold' to the Government or to the voters. Maize farmers would have to be considered as an economic factor.

He did not agree with the proposal to disband the Maize Board. A one-channel export facility was very important as the grain houses operated for profit and this would be at the expense of individuals if there was no export facility.

An orderly market was important in South Africa. There were other monopolies in South Africa but at least the Maize Board had a number of consumers on the board.

A spokesman for the Maize Board declined to comment until they had studied the report further, and after next week's board meeting.

The Assocom report says that under the present controlled system, the Maize Board acts as the sole buyer of maize in the Transvaal, OFS and certain districts of Natal and the Cape, which to-

gether produce well over 90 percent of the national crop.

Assocom said it does not necessarily agree with all the findings and recommendations of the report, which it commissioned, owing to concern over the impact of the maize price on the cost structure of the economy.

The report recommended the Department of Industries, Trade and Tourism should carry out a study of the disparity in agricultural input prices between local and imported sources.

No restriction should be placed on imports of maize or maize products and farm inputs should be obtainable on a similar basis, it said.

An independent body

should be established with equal producer and consumer representation, which would set the floor price of maize with provision for normal arbitration procedures, the report said.

Finance Minister Mr Owen Horwood should institute an investigation into the benefit of bread and maize subsidies to different income groups.

The National Association of Maize Producers, Organisations should consider approaching the National Productivity Institute, requesting an examination of trends in agricultural productivity in South Africa and elsewhere, with a view to providing beneficial data to the farming community, it added. — (Reuter)

P.T.O.

in the next six weeks.

In the picture: Mr Meert looking over the potential quicksand area yesterday.

STOP PRESS

The Natal Mercury
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HOTEL FIRE

Toronto—One man died and five people were injured in a fire on two mid-level floors of a 37-storey hotel and apartment block in central Toronto yesterday. Helicopters hovered around the building in case they were needed in the rescue operation, but the fire was confined mainly to one flat and was later extinguished. The blaze broke out on the 18th and 19th floors of the block which houses the Plaza Hotel on lower floors. Police used loudhailers to calm terrified residents. — (Sapa-Reuter)

Store thieves

JOHANNESBURG—There were 15 000 convictions on shoplifting charges in South Africa last year, former Prof E Kahn of the University of the Witwatersrand said yesterday.

Addressing a seminar at the annual congress of the Security Association of South Africa, Prof Kahn said 23 percent of those convicted were under the age of 17.

Twenty percent were 18 to 20 years old, and 47 percent were 21 to middle aged. The remaining 10 percent were elderly.

The cost to the retail industry was estimated at R100 million. — (Sapa)

Massive losses threaten Natal grain farmers after poor summer rains

Mercury
20/8/82

Mercury Reporter

FARMERS in Northern Natal have lost an estimated R40 million on summer grain crops and face a critical water shortage this winter because of the poor summer rainfall.

Maize yields for this year are expected to be 70 percent down on last year's figures, with only a 180 000-ton yield expected.

'There were good rains in March but they were too late to save the crops,' said Mr Pieter van Rooyen, general manager of Natalse Lanboukoöperasie in Dundee.

According to Mr van Rooyen, farmers in the region will generally be able to repay only about 20 percent of their loans from the Land Bank this year.

'But, fortunately for the farmers, the Government has announced a scheme for the summer grain crop farming areas, subsidising interest rates to the Land Bank.

'This means that farmers will be able to apply for an extension to carry over loans for up to four years,' Mr van Rooyen said.

'Although farmers are going to suffer because of the low maize yields, I don't think they will be brought to their knees because most of them are "mixed" farmers,' he said.

Drilling

Dr Peter Hildyard, director of the Department of Agriculture in Natal, confirmed the critical water shortage in the area.

He said most of the springs had dried up and much borehole drilling was being done in search of water.

'In the Pongola region there is a drastic deficiency of surface water and many of the dams are only 15 percent full. Water restrictions are in force on the Pongola irrigation scheme,' Dr Hildyard said.

'Because of the water shortage, grazing conditions are bad and hay and silage stocks are low and of poor quality.'

'Generally, though, beef stock and sheep are still in good condition,' he said.

'The prospects of the farmers for the coming season depends very largely on the spring rains.'

Bail refusal

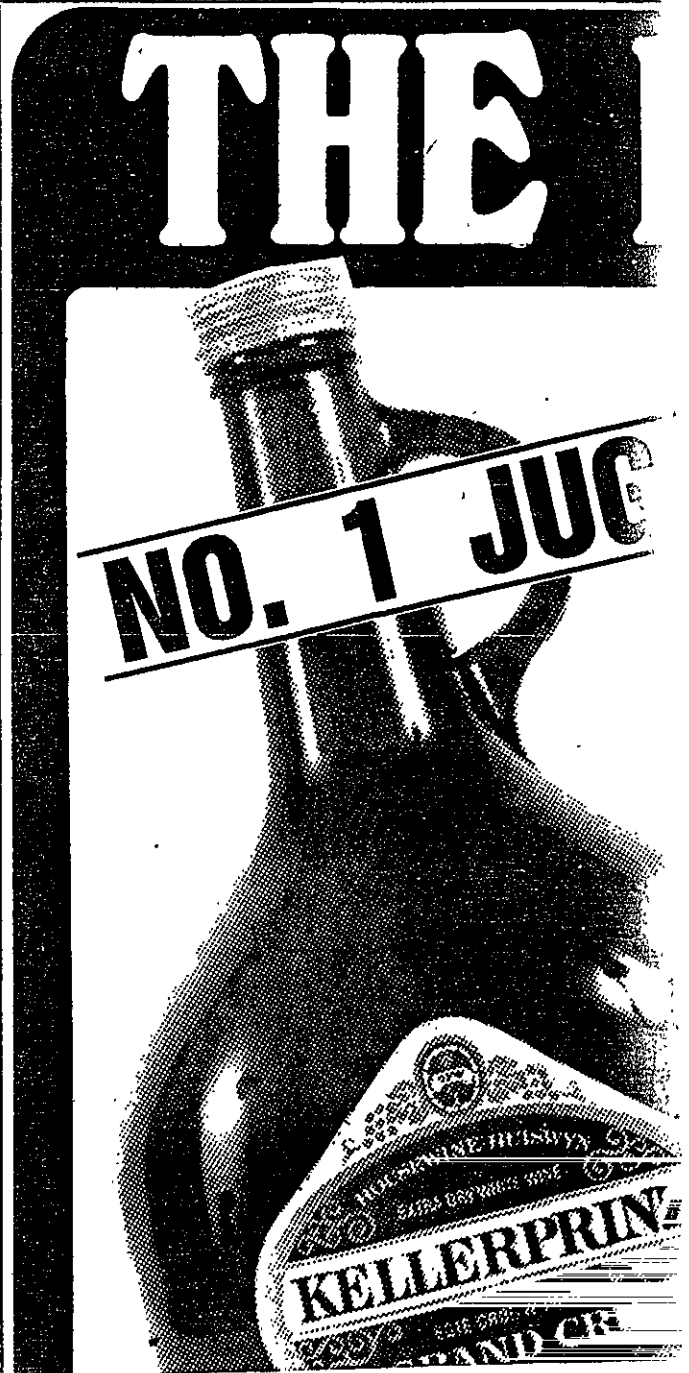
JOHANNESBURG—A district magistrate here yesterday turned down Maureen Smith's second application.

He said that if she was possibly of killing her husband, 'then she is faint-hearted lady, but a callous and planner with substantial sums at disposal'.

'If, according to the State, she was prepared to pay R20 000 to have her band killed, she might now be prep

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Grain hawkers

③ maize FM 20/8/82

Fears that the United States Department of Agriculture (USDA) is sabotaging SA's maize export markets in Africa appear to be exaggerated and unjustified. The USDA is marketing America's burgeoning grain surpluses through concessionary credit arrangements to African importers. But its thrust is unlikely to impinge on SA's maize exports to Africa, which are not nearly as large as the Maize Board would like everyone to believe. Nor are the Americans offering interest rate subsidies or loan guarantees to SA's maize trading partners.

Senior officials at the Maize Board, however, express concern that USDA programmes are robbing SA of opportunities to increase its African exports. As one official says: "The market is being disturbed by US food aid. We're not worried about Public Law 480, since it's going to countries lacking the money to buy from SA. But the Commodity Credit Corporation extends credit to countries that could buy our maize, and at rates we can't compete with."

The Americans have used their food aid programmes to increase agricultural exports with spectacular success. The PL 480 programme, begun in 1954, has been used with wide flexibility to send farm surpluses abroad. In its 28-year history, approximately 292 Mt of US agricultural products, valued at \$32 billion and ranging from corn to wheat flour, have been shipped to more than 100 countries. Originally a "food-for-peace" programme targeted at countries devastated by World War 2, PL 480's focus has shifted in recent years toward developing nations. Most countries qualifying for PL 480 aid are granted 40-year loans with interest rates varying between 3% and 12%, and repayment grace periods as long as 10 years.

The theory with greatest currency among American aid planners is that developing nations pass through two phases before becoming regular cash customers. There are, first of all, the so-called basket cases who could not afford food imports without the generosity of PL 480. Then there are middle-income countries, often those that once qualified for PL 480 aid but who lack bank credit facilities, that receive loan guarantees from the US government through USDA's CCC. These credits are generally for three years and are priced at market rates.

Over the past decade, American hopes that export credits build cash markets in developing countries have been more than realised. In fiscal year 1971, US agricultural exports to developing countries were worth \$2.6 billion, or one third of that year's agri-export total. By 1981, these sales increased to \$17 billion, accounting for 40% of all US exports. While the combined sales through PL 480 and CCC have increased

from \$1.14 billion in 1972 to \$3.4 billion in 1981, US export dependency on concessionary aid programmes has steadily declined. Aid financed exports to developing countries dropped from one third of agricultural exports in 1961 to 14% in 1971, and to about 3% in 1981.

SA agricultural exports to developing nations, are, by comparison, much smaller and subject to great speculation. The *Economist* estimated recently that SA's 1980 grain exports to Africa totalled 4 Mt. Most local observers, however, say that is too high. One agricultural expert says: "Maize makes up more than 95% of SA's African agricultural exports, and in the 1980/81 season, SA maize exports to the world were only 3.4 Mt. The export classification in Maize Board figures mysteriously called 'destinations unknown' is usually thought to mean Africa, but it doesn't. SA maize trade is bound up in many long-term contracts, so there isn't much scope for expanding exports to black Africa. Of the 1.5 Mt sent to unknown places in 1980/81, I'd be surprised if more than one quarter went to Africa."

Credit competition has intensified in world agricultural markets. Canada, France and Australia all offer credit guarantees and interest rate subsidies. SA, however, has no similar programme, and maize exports have to be paid for in cash. An agricultural official in Pretoria suggests that SA may be reluctant to explore credit subsidies because of bad experience in the past. "Several years ago," he says, "SA loaned Zaire \$10m for SA imports. It was never clear whether or not it was a loan, since SA was prepared to let the loan roll over for years. Zaire bought \$10m of SA grain, sold it and then refused to repay the money."

Whether or not the US has been muscling

into SA's African export markets is at best debatable, in part because PL 480 programmes have spent this year only \$35.5m in Southern Africa out of a total budget of \$765.5m, and in part because America cannot be blamed for keeping interest rates as low as 15%. It may become less debatable, however, as the US government moves to address the twin problems of growing US agricultural surpluses and anger among American farmers over falling prices and incomes. Carry-over stocks of US corn and wheat are expected to balloon over the coming year. USDA expects corn stocks to grow by a third to nearly 71 Mt, and wheat carry-overs to increase by 15% to 35.8 Mt.

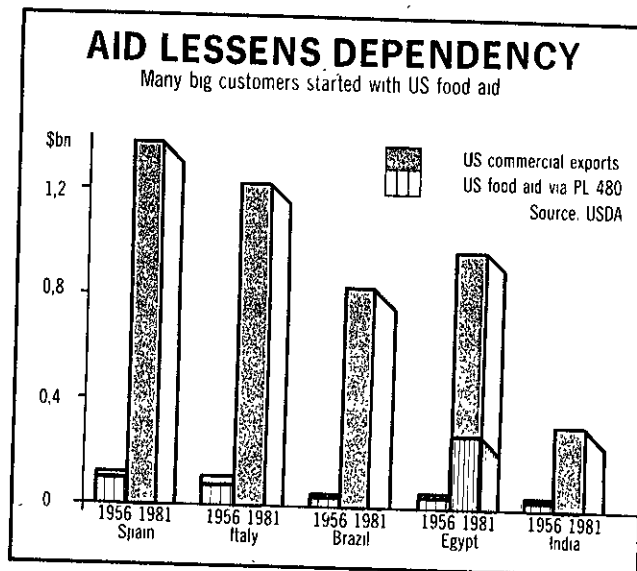
Farmers are worried about the price of corn falling to \$2 a bushel, and are angered by the prospect of real farm income falling another 30% this year following its 30% fall from 1979 to 1981. Many farmers report that current conditions are worse now than they have been since the depression of the 1930s and are calling on the government to boost their earnings or by stepping up America's export aid programmes.

One USDA official says: "The problems with the surplus are as big as the surplus itself." The US Feedgrains Council met recently with the Secretary of Agriculture to discuss ways to increase US agriculture markets abroad but reportedly came to no solution. A US State Department official expects food aid exports to rise dramatically and predicts that the budgets of PL 480 and CCC will be increased this year by 20%-30% despite the drive for greater fiscal austerity in Washington. He remembers the mid-Seventies US rice surplus and says that it was not long before developing countries were awash in American rice.

Just how much agricultural exports to Africa will increase as the US strives to reduce its surpluses remains to be seen. Mean-

while, the Maize Board might more legitimately redirect its concern toward Zimbabwe's Grain Marketing Board. USDA officials expect Zimbabwe will export during the coming year 95 000 t of maize to Zambia, 100 000 t to Zaire and 50 000 t to Mozambique. The remaining 200 000 t of Zimbabwe's surplus crop is likely to be sold to the World Food Organisation for prices significantly above market value.

The World Food Organisation is expected widely to distribute Africa's poorest black nations for free.



Call for a freer market

③ maize FM 22/8/82

There was a time not so long ago when farmers, co-operatives and marketing boards were beyond public criticism. The extent of the mollycoddling of some — more especially those in maize — was considered beyond reproach. That has changed.

The subsidised financing and centralised marketing of maize crops at officially administered prices is now being seen in its true light. It has not succeeded in guaranteeing farmers incomes permanently above world levels. Nor is it encouraging farmers to stay on the land. Yet the system has severe and immediate inflationary consequences and longer-term economic ones.

The maize farmers themselves now want to go back to free markets. The Treasury is battling to control the money supply which has been inflated by subsidised maize crop financing. And the consumer is having to carry the cost of a large and growing maize surplus, ostensibly for strategic reasons.

This week the Association of Chambers of Commerce released a report it had commissioned on the "Production, Marketing and Pricing of Maize in SA." In essence, it recommends returning to a free market determined maize price, the scrapping of restrictions on maize imports and the removal of protection for farm suppliers.

Assocom cautiously points out that it has not yet considered all the ramifications of the findings and recommendations, but it regards the report as positive.

The report was done by two agricultural economists, John Harrison, of Maritzburg, and Eckhard Kassier, of Stellenbosch, who examine the central issue in detail.

They have found that maize, SA's largest single agricultural commodity, is being produced at an ever increasing rate, yet domestic consumption is unlikely to rise nearly as fast, if at all in the years ahead.

The domestic price of maize is considerably higher than the world price, but the cost of importing maize from the US would be higher than the domestic price. This is because of the cost of transportation, a cost that in turn should give local producers a substantial advantage if surplus production were sold in Africa, the Arab states and India.

Maize farmers' costs in SA are considerably higher than those in the US, the main producing country in the world, because of the "high degree" of protection given to suppliers of maize farmers' requirements.

If maize farmers were able to import their basic requirements, Harrison and Kassier believe maize farmers could survive under entirely free marketing conditions.

They could find no justification for the maize farmer (or any other sector) having to bear the cost of boosting local production of a "strategic" product (in this case

fertilizer) or to promote employment. If the community felt this cost was justified, it should be spread over the whole community in the form of higher taxes.

They found, too, that maize production was insensitive to changes in the maize price. As a constituent of feed mixes, maize is substantially lower priced than any alternative ingredient. At present, maize farmers have no alternative crops that could be planted which would provide the same profit level as maize. Nor is there an economic alternative use to which surplus maize could be put.

Not surprisingly, therefore, they believe that higher priced funds to finance the maize crop is more likely to reduce maize production than lower maize prices. This, the FM believes, is a clear exoneration of the Reserve Bank's decision to allow the cost of maize finance to rise in recent years more in line with market related levels. For the country is still struggling to sell last year's maize surplus.

Harrison and Kassier believe that maize prices have an insignificant effect on the consumer price index. The problem, however, as the FM has frequently pointed out, is not the direct impact of the maize price on the CPI. That, we agree, is small. But the consequence of the banks' having to finance consistently large maize surpluses has a direct impact on the money supply. In turn, that stimulates total demand in the economy beyond its ability to supply. When that occurs, prices in general move upwards.

Nor have Harrison and Kassier dealt with the broader economic consequences of an administered maize price that applies uniformly over the whole country. Normally, the price of a commodity is lower the closer it is acquired to its area of production. That, in turn, generally attracts industries using the commodity as a raw material to the periphery of the production area.

If the price of maize had been lower closer to the maize triangle, maize processing industries would most likely have been attracted to the platteland. More decentralised jobs would then have been provided. It is possible, too, that there would be less concentration of ownership in the milling industry if this had occurred.

Be that as it may, the report does examine in detail various pricing policies and

the consequences of their application. It emphasises the longer run economic dangers of administering prices and protection for favoured enterprises, which misallocate resources. The ultimate cost, it says, is reflected in a generally less well off community as a whole.

On the basis of the report's findings, Harrison and Kassier could hardly have made recommendations that did not imply far-reaching and radical changes. They want the combined introduction of the following measures:

- The removal of restrictions on the importation of maize and maize products and the maize farmers requirements be similarly treated;
- That farmers be allowed to sell maize to anyone willing to buy (both domestically and in the export markets);
- An independent body, with equal representation of producers and consumers, be formed to determine a floor price of maize. This amounts to limited price control aimed at surplus removal through a buyer of last resort.

The problem is, of course, that private sector investment in protected industries, such as milling and fertilisers, has been substantial in recent years. Moreover, it was encouraged by government for strategic reasons. If that protection were removed now, the outlook for those industries would be grim indeed.

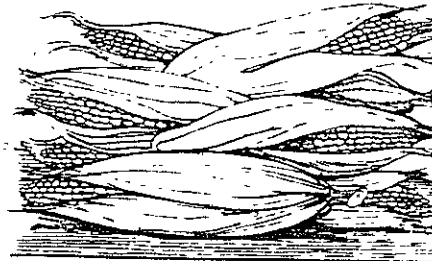
It is never easy to unscramble a problem omelette. When this has been advocated in the past, it has invariably never been implemented. But that does not mean to say that as far as maize is concerned, government should become an inert bystander.

At the very least, Pretoria should make clear to the millers and chemical companies that they will get no more protection. Second, a programme to phase out protection should be negotiated with the industries concerned.

Harrison and Kassier have provided a sound blueprint. Assocom's commissioning the study is a tribute to its foresight. It is now up to those ministers in charge of economic policy, agriculture and finance to bring matters to a head.

It remains only for Pretoria to deal with the protected industries associated with maize production and processing. It is a difficult problem. Some are protected because of the system that enveloped their traditional markets. Others were seduced into a protected environment by well-meaning but mistaken politicians. Some may deserve interim assistance until they find their sea legs in rough competitive waters. That is a matter for negotiation.

The important thing now is that government must make its policy clear and be seen to begin implementing it.



But the Registrar of Financial Institutions has progressively tried to break away from commitments. Factors behind this revolve around sharp fall-off in Germany's export the influence of US rates, has taken advantage that lower-than-exp-

SA faces

maize

disaster

3 Maize
S. Post

21/8/82

Weekend Post Correspondent

JOHANNESBURG — The president of the National Maize Producers Association, Dr Pieter Gouws, warned today that the South African maize industry was facing disaster.

Dr Gouws said that if maize farmers were forced to continue operating under present conditions there would be devastating ramifications for the country's economy, with thousands of people being deprived of their livelihood.

Unless the industry was allowed to switch to a world price-related and free marketing system, free of import controls, it would have no option but to cut production and throw 48 000 blacks out of work, he said in a newspaper interview.

A Nampo economist, Dr Kit le Clus, said earlier in the week consumers could be saved R150 million to R200 million a year if the Government eased import duties to maize farmers on three major products.

Dr Le Clus said that if tractors, fertiliser and in-

secticides were imported from abroad it could reduce the cost of production by about 33% and save at least 20% in the final price.

Maize accounted for 80% of the price of red meat and poultry, Dr Le Clus said. It was also the major cost factor in dairy products, eggs, cooking oil and canned foods.

If the duties on the essential products for maize production were eased, it would slow down the 25% inflation rate of food prices.

These calculations were based on the current maize price of R155 a ton, local consumption of six million tons a year, and a retail price of about R275 a ton.

Dr Le Clus said fertiliser would be far cheaper if imported and tractors would cost between 25% and 40% less than the local product.

Nampo members sug-

gested to the Government earlier this year that they be exempted from import duty on certain goods. This was turned down.

The maize producers' point of view was supported this week by a report released by the Association of Chambers of Commerce (Assocom).

The Assocom report said: "There is no justification for the maize farmer having to bear the cost of boosting local production of industrial products."

Economists have estimated that South Africa stands to lose about R600 million this year through maize export losses.

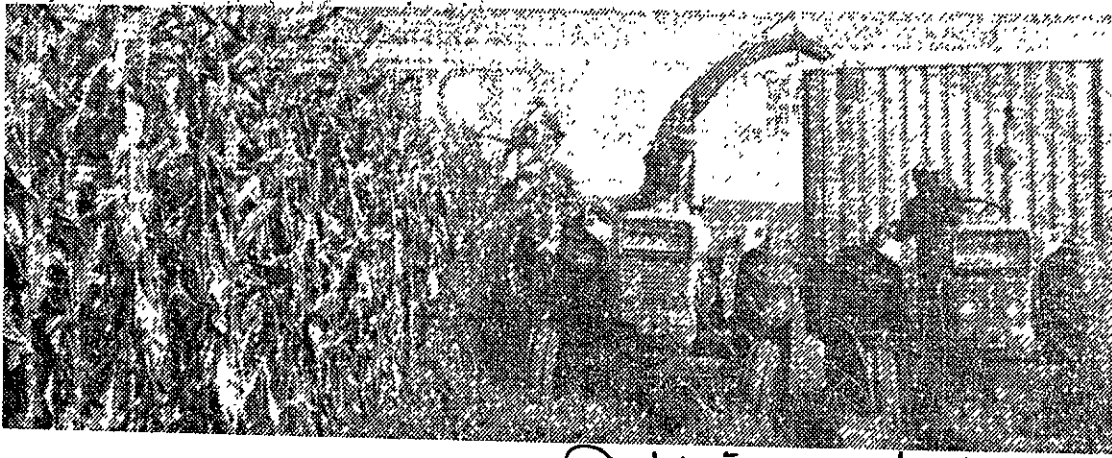
Local maize is the cheapest in the world, with South Africa offering international buyers maize at R120 a ton — a loss of R35 a ton on the local price. Handling and transport costs take the

landed price to R182 a ton.

The hub of world grain merchants is the Chicago Futures Market, where international sellers are offering maize at R109,20 a ton delivered up to September. The December price is R112,42 a ton delivered.

Adding to South Africa's problems, the US Commodity Credit Corporation is offering African nations credit at extremely favourable terms to buy its maize. This has created a situation where South Africa now has 4 500 000 tons of maize in silos — not including the 8 800 000-ton crop this year — and few buyers.

The Minister of Finance, Mr Owen Horwood, said recently that R54 million would be needed to finance maize stocks during 1981/82 — compared with R758 million during 1979/80.



Subsidy weeds in SA's maize patch

3 Maize star
21/3/82

By David Braun
The maize industry is in dire straits because it has been used to subsidise a host of protected products, says Dr Pieter Gouws, chief executive of the National Maize Producers' Organisation (Nampo).

"We are not against local industry making a profit. All we ask is that our suppliers charge us realistic prices in world terms. We should be able to import from overseas suppliers if we could get a better price.

"By the same token the maize industry must be allowed to fix its own price levels and domestic customers must also have the freedom to import maize freely. If they can buy maize cheaper elsewhere they must be free to do so."

He said the maize industry is not scared of competing with anyone else in the world on that basis. Nampo advocates an open industry but with only one buyer of maize from farmers, who would be the sole seller at home and abroad — the Maize Board.

"That sounds con-

trary to our belief in an open and free market. But we as farmers want one organisation to represent us and that organisation would not have a monopoly as any South Africa maize buyer would be free to import without restriction."

Nampo's reasons for wanting only one organisation selling maize in the country are because smaller farmers in outlying districts often are not able to negotiate realistically profitable deals.

"The farmers also have a situation in which the buying market is monopolised by two major buyers who could be in a position to manipulate the market. If the buyers are dominated by big business then the farmers must be protected by a big organisation with muscle."

Advantages

The advantages for South Africa's maize export sales would be enormous if the Maize Board had the selling monopoly. The world is dominated by a cartel of five American grain traders and if the SA Maize Board is to enter

the field it will rank as one of the biggest traders in the world.

"We would be able to hold our own internationally, and secure the best possible prices and markets for our produce. Already South African maize is recognised as being of the best quality available and even now foreign buyers are prepared to pay a premium for South African maize."

But if the maize industry is not to price itself out of the world market and send the domestic price soaring, the prices of inputs to the industry will have to be scrutinised.

Dr Gouws says that if the Government wants to protect certain industries and commodities, such as tyres and diesel, it should be done by means of direct subsidies granted every year by Parliament.

"Why should the maize farmers be expected to produce maize competitively when our input costs are loaded because of built-in prices and fees to protect everything from trucks to fuel?"

Dr Kit le Clus, Nam-

po's economist, estimates that the maize industry subsidises protected industries and products to the tune of far more than R100 million every year.

Herbicides manufactured locally by Sentrachem can have up to 87 percent of their selling prices comprising protection tariffs.

Fertilizer is a protected commodity and the maize industry, which spent more than R400 million a year on fertilizer, is a captive market for local producers.

Protection

Yet ammonium sulphate produced locally is 38 percent more expensive than it could be imported fob at Durban. Urea is 74 percent more expensive and diammonium sulphate 39 percent more expensive.

Protection of the Atlantis diesel engine project has increased the price of tractors and trucks by between 23 percent and 42 percent.

Similar protection costs apply to a host of other supplies to the industry.

Import duties add millions of rands to price of maize

3 Change



S. Express

22/8/82

CONSUMERS could save R150-million to R200-million a year — if the Government eased import duties to maize farmers on three major products.

A leading economist said this week that if the three major maize inputs — tractors, fertiliser and insecticides — were imported from abroad it could reduce the cost of production by about 33% and save at least 20% in the final price.

Maize accounts for 80% of the price of red meat and

BY CHARLENE BELTRAWO

poultry. It is also the major cost in dairy products, eggs, cooking oil, most canned foods and spreads.

If the duties on the essential products for maize production were eased, it would slow down the inflation rate of food which at 25%, are among the highest in the world.

These calculations are based on the current maize

price of R155 a ton, and local consumption of 6-million tons a year. The retail price is about R275 a ton.

Dr Kit le Clus, an economist for the National Maize Producers Organisation (Nampo), said fertiliser would be far cheaper if imported.

Tractors would cost between 25% and 40% less than the local product.

Mr Johan Willems, senior economist of the SA Agricultural Union, said local agricultural products could not compete on world markets because input costs were so high.

"However, one cannot ignore the strategic benefits of protecting local industry. If boycotts against South Africa are introduced we need to be self-sufficient."

Nampo members suggested to the Government earlier this year that they be exempted from import duty

on certain goods. This was turned down.

Nampo said if costs were reduced they could restrain maize price increases and improve the balance of payments by having competitively priced exports.

These arguments were supported in a report released this week by SA Farm Consultants for the Association of Chambers of Commerce (Assocom).

The Assocom report said: "There is no justification for the maize farmer (or any other sector of the community) to bear the cost of boosting local production of industrial products, whether this be for strategic or higher employment reasons."

South Africa stands to lose about R600-million this year through maize export losses. Local maize is the costliest in the world, with South Africa offering international buyers maize at R120 a ton — a loss of R35 a ton on the local price.

However, this does not take into account R45 a ton

for costs of storage, handling and transport, and R17 a ton for shipping — making the landed price about R182.

The hub of world grain merchants is the Chicago Futures Market, where international sellers are offering maize at R109,20 a ton delivered up to September. The December price is R112,42 a ton delivered.

Adding to South Africa's problems, the US Commodity Credit Corporation is offering African nations credit at extremely favourable terms to buy its maize. This has created a situation where South Africa now has 4 500 000 tons of maize in stock — not including the 8 800 000 ton crop this year — and few buyers.

The Minister of Finance, Mr Owen Horwood, recently told a Durban conference that R1 554-million would be needed to finance maize stocks during 1981/82 — compared to R758-million during 1979/80.

Economists warn that the situation could worsen because of the recent increase

in Land Bank interest rates from 10% to 20%.

And they say many problems lie in insufficient long-term planning by the Government in the total agriculture industry.

The Government has no definite agricultural policy. Few agricultural control boards have economists.

The most recent agricultural census was in 1976. Although surveys are carried out regularly, an expert claimed the Department of Statistics did not have the manpower to evaluate statistics.

South Africa, therefore, cannot plan for agriculture — because no one is sure how many farmers there are, how much land they are farming, how efficient they are, and what is happening with their produce.

The East London harbour, which handles maize shipments, can cope with only 5 300 000 tons a year, and the Richards Bay harbour will be ready to handle the bulk of export maize only later

this decade.

The Assocom report projected an average maize crop of 16-million tons a year by 1995.

"Because of harbour restrictions a maximum of only 30 000 tons of maize per vessel can be loaded in South African ports compared with cargoes double this size for US exports.

"The value of maize exports — about 4-million tons a year — has risen from R370-million in 1977/78 to R540-million in 1979/80.

"If the whole crop could have been moved by the railways and handled at the ports, it would have amounted to more than R900-million for the 1980/81 crop. Unfortunately, neither Railways nor ports were able to handle this quantity of maize."

Some agriculturalists say maize farmers are reaping more than they claim. Local maize farmers claim a measurable yield of 2.5 tons a hectare, compared to an average of 16 tons a hectare in the United States in almost identical farming circumstances.

EXPRESSSCOPE

LOOKS AT SUBSIDISED FARMING

How the cost of that roast chicken adds up

S. C. Hoare

Meaning

S. C. Hoare

22/8/82

IF SOUTH African maize was priced as low as the international price it would save poultry farmers about R3-million a year.

This finding is made in the Assocom report into the maize industry.

Assocom says the saving would be 2c per export bird and 3c for locally sold birds. "A saving of 3c a bird for a

producer marketing 1-million birds a week amounts to R1 500 000 a year," a spokesman said. About 3-million birds go to market each week.

A drop of 10% in the maize price would also reduce the egg price by about 2c a dozen.

A price drop to 25c for a dozen eggs in the Cape was recently introduced by

supermarkets in protest against the Egg Board exporting eggs at a loss of 33c a dozen.

The Assocom report noted that eggs could not be sold profitably on the export market and during the past eight years farmers — and ultimately consumers — have had to bear export losses of more than R50-million.

Pig farmers recently accused millers of keeping feed prices high to make their own animal farming more cost-effective and reduce the profits of smaller farmers — ultimately forcing them out of business.

However, the Assocom report found South African pig consumption was low by world standards and did not seem

likely to increase, despite pork being lower priced than beef or mutton.

An agricultural economist said it would not be detrimental to the pig industry if it was taken over by large conglomerates, as has happened in the US.

"Low pig consumption is due mainly to religious or tribal beliefs," he said.

22/8/82
S. Express (3) Mail (277)
Anger over a hush-hush deal

SOUTH AFRICAN farmers swapped maize for 200 000 tons of fertiliser from Russia earlier this year — and then refused to give the Government details of the deal.

It gave maize farmers a good bargain and left the Government furiously considering legislation to prevent them withholding such information in future.

The deal was revealed in research done for the Associated Chambers of Commerce.

Initial reports suggested that the fertiliser — urea — came from Rumania. But discussions with Rumanian authorities indicated that the maize was sold to Russia.

The National Maize Producers Organisation members who organised the barter, showed keen business instincts. They bartered one ton of maize for each 1.04 tons of urea valued at R355.

"Other maize export sales are averaging only R116 a ton. The urea will be sold over three seasons — South Africa's normal usage being about 60 000 tons a year," the Assocom report said.

"The farmer will pay the present price of R314 a ton for urea. The profit from this deal will be used to reduce the deficit in the maize stabilisation fund — to which farmers contribute to cover export losses.

"The fertiliser industry is displeased by the import and has demanded that the urea be distributed through normal channels, rather than farmers' co-operatives.

"It would be a great pity if the chance were lost to bring a greater degree of competition into the supply mechanism.

"The Government should free the fertiliser trade immediately from all control: price, import, licensing, provision of subsidies, siting of plant and, probably, the de-nationalisation of PhosKor," the report concluded.

^{25/8/82}
Maize crop
size up ^{③ Maize}
_{COM}

SOUTH Africa's official 1981/82 maize crop estimate has been raised to 8 430 000 tons from 8 390 000 forecast last month, the agriculture department said.

The estimate, which is based on conditions at the end of July, is sharply down from 1980/81's record output of 14 640 000 tons following a drought earlier this year in main growing areas, a spokesman said.

Grain sorghum output was estimated at 286 000 tons against last month's 284 000 tons and last season's 552 000 tons actual production.

15/9/82 (3) Maize 204
Maize price rise was averted

Pretoria Bureau

ANOTHER big increase in the maize price was narrowly averted this year, the general manager of the National Maize Producers Organisation (Nampo), Dr Piet Gous, said in Pretoria yesterday.

Because high interest rates would cost farmers an extra R40-million during 1982, the SA Maize Board-appealed to

the Government for an interim price rise.

This was refused but an additional subsidy of R10-million was granted to help meet the additional storage costs.

Without this, the price would have increased by R2 a ton, resulting in increased prices of maize products.

Dr Gous said the R10-million was a drop in the bucket

compared with the impact of higher interest on farmers' dwindling profits.

Dr Gous said it cost R160-million to store the 7-million tons needed for domestic consumption.

To reduce this cost and to avoid a situation where it had to be added to the consumer price, the Government had earlier this year granted a R75-million subsidy.

BY TOM LOUW
Business Editor

EAST LONDON — Maize men are becoming increasingly worried about the position of South Africa's key maize industry.

The fear held by some at the heart of the industry is that the whole structure could collapse under the pressure of excessive input costs and inadequate returns.

For East London and the Border area, this is a major issue. This is the country's principal maize export port and the maize traffic represents 27 per cent of the harbour's turnover. If there should no longer be an exportable surplus of maize, the port and the city will suffer a major blow.

As Mr Peet de Pontes, MP for East London City, has said: "Next to the area's manpower potential, the harbour is probably East London's most important natural asset."

How serious is the predicament of the maize industry?

A spokesman for the National Maize Producers' Organisation, Dr Pieter Gouws, went on record last week with the warning that it is facing disaster.

He said that if maize

Maize industry cause for rising concern

(3) Maize
D. Riphatch
26/8/82

farmers were forced to continue operating under present conditions, there would be devastating effects on the national economy.

The industry would have to cut production unless it was allowed to operate on a free market basis, free of import controls. Such a cutback might throw 48 000 black workers out of jobs.

The Nampo case is amplified by the organisation's economist, Dr Kit le Clus. He says that if the Government eased import duties on tractors, fertiliser and insecticides, consumers in South Africa would be saved between R150 million and R200 million a year.

Importing these on better terms would reduce the farmer's cost of production by about 33 per cent and save at least 20 per cent in the final price.

Mr Hendrik Nel of the Maize Board in Pretoria told me by telephone yesterday: "If you look at maize prices in recent years in relation to the escalation in the cost of growing it, you see that there's a diminishing return to the farmer. Clearly we can't go on like that. In the near future we must reach the stage where the whole thing breaks down."

Mr Nel pointed out, further, that in the 1981-82 season, maize farmers planted the same acreage as produced the record 14.2 million ton harvest the previous year. Up to January 20 it looked as if they would reap a 15 million ton crop. Then the rain stopped. That most promising crop was reduced to a total of just over 8 million tons.

But the acreage was the same and the cost of growing and harvesting the crop was actually higher than the previous year because of the high rate of cost escalation.

So the producer price was increased, but the net return to the farmer was actually decreased by high levies because of losses on the export market.

Those losses are incurred, Mr Nel explained, because South Africa competes on the world market with countries such as the United States, where the farmer's fuel cost is one-third, what his South African competitor pays and his fertiliser costs are also much lower.

Farming conditions

are also better in other countries. In the United States the farmer can count 95 per cent on regular rainfall with uniform precipitation, and therefore he can go for the maximum plant population to the hectare and the maximum use of fertiliser.

"This is the nature of the odds against us," said Mr Nel. "Our only advantage is the high quality of our maize, and our farmers are trying all the time to improve that quality even further."

Nampo has come out strongly in favour of operating on a free market basis, with the right to import its input items to best advantage. This stand has been supported in a survey made for the Association of Chambers of Commerce, which went further and urged removal of the regulatory powers of the Maize Board.

This last suggestion has been bluntly discarded by the new Minister of Agriculture, Mr Greyling Wentzel. He commented: "I'm not prepared to lead the mealie industry back into the chaos in which it was placed before the Marketing Act was passed in 1937."

However, he did add that the time had

apparently come to look again at the marketing regulations for maize.

He did not specifically mention the import aspect. Dr le Clus of Nampo says fertiliser could be imported much more cheaply than it can be bought locally. But if the Government allows maize farmers to import freely, the domestic fertiliser industry must suffer.

Dr le Clus says tractors can be imported at between 25 per cent and 40 per cent cheaper than the local product. But again local industry would suffer, in particular the strategically important Atlantis diesel engine plant.

However much the Government may wish to help the farmers, the dilemma is obvious — and painful.

Nevertheless, as Mr Nel of the Maize Board says, "We must cut the cost of the input items. Our best market is the local market and we must try to expand it and use more maize to improve food supplies for a rapidly growing local population."

"One must not look at maize any longer as mealie pap. It is the most important ingredient in the stock feeds used in the production of milk, cheese, butter, meat, eggs and broiler chickens. There is no hope at all of producing enough of those items on veld grass."

He believes the potential is for greater production and greater use — and for more exports which are vital to earn foreign currency, for which the country cannot always rely on its mineral production.

Paper No. Paper 1
(to be copied from the heading on the Exam

NOTE CAREFULLY

1. Enter at the top of each page and in corner of the block on this cover the number of the question you are answering.
2. Blue or black ink must be used for answers. The use of a ball point pen is not acceptable. Red or green ink may be used only for underlining, emphasis or for diagrams, for which pencil may also be used.
3. Names must be printed on each separate sheet (e.g. graph paper) where sheets additional to examination book(s) are used.
4. Do not write in the left hand margin.

books, notes, pieces of paper or other material may be brought into the examination room. Candidates are so instructed.

Candidates are not to communicate with other candidates or with any person except the invigilator.

3. No part of an answer book is to be torn out.
4. All answer books must be handed to the commissioner or to an invigilator before leaving the examination.

Any dishonesty will render the candidate liable to disqualification and to possible exclusion from the University

Maize farmers lay their bets in R1 000m gamble

Pretoria Bureau

SOUTH Africa's 30 000 mealie farmers have started their R1 000-million gamble with the weather.

This is what it will cost them to plant the 1982-83 maize crop across 5-million hectare of farmlands.

With favourable rains a crop of 15-million tons is possible. But if, as happened last year, drought starts to bite in the second half of the growing season losses could be enormous.

A second bad year would threaten many farmers with bankruptcy. Many already have big debts.

It is estimated 6 000 of the 30 000 farmers produce 80% of the crop. One

farmer in the Eastern Transvaal spent R2 300 000 this year on 60 tractors and other implements on his 8 000ha farm.

The investment in the crop includes R60-million for seed, R480-million for fertiliser, R250-million for fuel, R160-million for labour and about R100-million for pesticides.

The managing director of the National Maize Producers Organisation (Nampo), Dr Pieter Gous, said the season was off to a good start.

The earlier gloom caused by delayed rains had been dispelled, and there was optimism about a good crop with a substantial exportable surplus.

He said large-scale planting was already being done in the Free State and

the Eastern Transvaal.

The drought cry had been heard too early this year. Good rains had now fallen over the main growing areas for summer crops, including ground nuts and sunflowers, Dr Gous said.

However, with South Africa's unpredictable weather it was impossible to go beyond saying the rains had come at the right time to soften the lands for planting.

What would happen during the rest of the growing season was anybody's guess.

Just as the producers investment in the crop was vast, so was the risk involved, and in South Africa the gamble with the weather was awesome, he said.

100m 22/10/72

SA 'pays more for maize'

Mail Reporter

THE cost of maize in South Africa has increased so rapidly recently that its price is now higher than the domestic United States price and that of most producing countries.

Mr Sidney Matus, a retail chain executive, said in his address to the Assocom Congress yesterday that as long as control boards allowed producers to set prices there was not much chance of the maize price coming down.

An Assocom commission had investigated the situation and recommended returning to a free market as well as the removal of protection for farm imports and the abolition of restrictions on maize imports.



Pop singer Clarence Carter — will be opening his naughty sex show at the Colosseum tomorrow. Other performers include Betty Gonzales, Pat Wilkins, Darren Flash, Be-Ba, Clarence Carter and Inees Weiner.

Picture: ABSOLOM MNISI

RCBm 26/10/82
Aggett
'broken'
before
he died

□ From Page 1

Dr Aggett told him that on January 4 he had been taken to the 10th floor of John Vorster Square, stripped, beaten and made to exercise for a few hours until "a pool of sweat lay under his body".

Sergeant Van Schalkwyk, a railway policeman, had wrapped a piece of cloth around his arm and clubbed him, Dr Aggett told his fellow detainee. Other policemen had thrown questions at him, telling him this was "just a taste of what would happen if he did not tell them more".

Dr Aggett had showed Mr Van Heerden a scar where the policeman's watch had cut him and said he hoped his friends would not wash a pair of blood-stained trousers he sent out of prison.

He also believed that one of his interrogators, Lieutenant Steven Whitehead, had begun a "war of attrition" with him, depriving him for short periods of his privileges, the court heard.

Towards the end of January, Dr Aggett was returned to his cell after three days of interrogation.

"It was obvious that something strange had happened, because Neil was not coming to his door to collect his food," Mr Van Heerden said.

"The guard called repeatedly to him but got no response and left the food there. The guard told me that Neil was sleeping."

Dr Aggett later said he had been tortured and forced to say he was a communist and had connections with the South African Congress of Trade Unions.

In the next few days, Dr Aggett had been tearful and had walked with a stoop, "looking like he had no strength left".

Mr Pieter Schabort, SC, for the Minister of Law and Order, asked Mr Van Heerden why there was an "utter discrepancy" between his own evidence and Dr Aggett's complaints during his detention.

Mr Van Heerden said he could not answer for the deceased.

Mr Schabort said he found it strange that they should have discussed how to deal with their interrogation because "if a man tells the truth, facts don't matter".

Mr Van Heerden will be cross-examined again today. Meanwhile, Amnesty International has sent an observer from London to attend the Aggett inquest.

Mr Brian Wrobel, a London barrister, was sent out specifically to attend for three or four days.

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was "just about good... meaning drunk" because Britain together in eaves-dropping information gleaned around the world. identified US intelligence activities of the Chel-Soviets to change and codes to protect

Arthur Prime, 44, a... had worked at the... charged with espionage... awaiting trial.

Britain date back to when Klaus Fuchs, a... man refugee, stole... secrets for Mos-

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official said Unita to free the archbish-... he was apparent-... gave no details and... say what would hap-... captured nuns.

has released a com-... about two attacks... by close to Luanda.

Unita forces over-... government barracks... 270km east of the... capital, on October... 24 Angolan soldiers... ubans, and releasing... sympathisers from... ison

forces attacked a... convoy between... Malange, destroy-... vehicles and killing... soldiers and four

Woman freed
on R1 000 bail

Mail Reporter

A WOMAN who had spent 27 days in custody was freed on R1 000 bail when she appeared in the Johannesburg Regional Court yesterday on three charges of stealing diamond rings valued at R11 324.

Mrs Beatrix Alida Esterhuizen, 36, of Liebenberg Street, Elsburg, near Germiston, appeared before Mr B P Luyt.

She has pleaded not guilty to the charges.

The case was postponed to January 6.

Verplanke
'satisfactory'

Mail Reporter

BELGIAN cyclist Cor Verplanke is in a "satisfactory" condition in Bloemfontein's Universitas Hospital — but he is still in the Intensive Care Unit, a hospital spokesman said yesterday.

Verplanke was rushed to hospital on Saturday after suffering head injuries in the worst crash in the 10-year history of the Rapport Tour.

Schooling
teachers

Pretoria Bureau

ALL attempts to improve the quality of education would be fruitless without the training of teachers in education's renewal process, the chairman of the SA Teachers' Council, Professor N T van Loggerenberg, said last night.

Opening an education symposium at the University of South Africa, he said new de-

RCBm 26/10/82 (3) maize
Costs, not farmers,
cause maize hikes

Pretoria Bureau

THE price of maize is determined by production costs and it is grossly unfair to blame farmers for price increases, according to the chairman of the Maize Board, Mr Crawford von Abo.

Mr Von Abo was reacting yesterday to a statement by chain store executive Mr Sydney Matus at the Asso-com conference in Port Elizabeth last week.

Mr Matus was quoted as saying as long as control boards allowed producers to set prices, "there was not much chance of the maize price coming down".

"If Mr Matus was correctly reported, then I can only say I am surprised because a

man in his position should know that the local farmer, like any other producer, is locked in by his input costs. In SA he is paying more for his fuel, fertiliser, herbicides and tractors than his United States counterpart."

Mr Von Abo said it was for this reason the maize industry had taken the lead in pleading for an open industry with world related prices.

"If anybody can import maize at better prices than the local industry can offer, we believe that person or organisation should be allowed to do so."

"But", Mr Von Abo said, "then we should be allowed to import our requirements on exactly the same basis."

Soal attacks NRP
stand on detention

Political Reporter

THE Progressive Federal Party candidate in the Johannesburg North parliamentary by-election next week, Mr Peter Soal, said yesterday it was nonsense for his New Republic Party opponent, Mr Alex Anderson, to claim that people detained without trial could appeal to a judicial committee.

He was responding to a report published yesterday in which Mr Anderson was quoted as saying Mr Soal had not "done his homework" on the NRP's attitude towards detention without trial.

At a house meeting in Craighall Park, Johannesburg, last week Mr Soal accused the NRP of having supported Clause 28 of the



MR PETER SOAL
NRP needs better excuse

Maize Board defends price

DD
26/10/82
3-Maize

PRETORIA — The price of maize was determined by production costs, and it was grossly unfair to blame farmers for price increases, according to the chairman of the Maize Board, Mr Crawford von Abo.

He was reacting to a statement credited to a chain store executive, Mr Sydney Matus, during the Assocom conference last week in Port Elizabeth.

Mr Matus was quoted as saying that "as long as control boards allowed producers to set prices, there was not much chance of the maize price coming down."

"If Mr Matus was correctly reported then I can only say that I am surprised because a man in his position should know that the local farmer, like any other producer, is locked in by his input costs and in South Africa he is paying more for his fuel, fertiliser, herbicides and tractors than his United States counterpart."

Mr Von Abo said that it was for this reason that the maize industry

had taken the lead in pleading for an open industry with world related prices.

"If anybody can import maize at better prices than the local industry can offer, we believe that person or organisation should be allowed to do so.

"But, then we should be allowed to import our

requirements on exactly the same basis. If we can obtain fertiliser, implements, fuel or whatever we need at better prices than we are offered locally, the government should allow us to do so."

Mr Von Abo also said the South African maize industry was quite prepared to compete in an open market. — DDC.

End to ^{3 maize} fertiliser ^{20m 2/1/72} dispute

Pretoria Bureau

THE dispute between the Maize Board and representatives of the fertiliser industry over the incorrect handling and storage of imported urea fertiliser has been settled.

The fertiliser industry has agreed to buy the 60 000 tons of urea, a portion of which was damaged by rain, imported in exchange for maize by the Maize Board.

Representatives met Dr Dawie de Villiers, Minister of Industries, Commerce and Tourism, and Mr Greyling Wentzel, Minister of Agriculture, to solve the issue yesterday.

In terms of a ruling by Dr De Villiers, the fertiliser had to be stored and distributed by the fertiliser industry, but some was damaged after being stored in the open.

In terms of yesterday's agreement, the fertiliser industry will buy the 60 000 tons of urea at between R202 and R203 a ton and will sell it to consumers at R341 a ton.

The chairman of the Maize Board, Mr Crawford von Abo, said in a statement after the meeting it was "a good thing" the dispute had been settled.

"It is still a pity that a product which had been described as excellent and which formed part of about the most profitable transaction yet concluded on an international maize barter basis, had to come under suspicion due to indifference in the handling of the product," he added.

Board asks Govt to scrap maize tangle

Mail Correspondent

CAPE TOWN. — The Maize Board yesterday appealed to the Government to help it bring down the price of basic foods by scrapping the tangle of protective tariffs and subsidies applicable to the industry.

In an interview yesterday the general manager of the board, Mr H du P Nel, said that far from helping the country's maize farmers, the present regulations and controls had left them facing "slow strangulation".

"We desperately need a return to the free market system. Give us the necessary permission and permits to import our basic inputs like fuel, fertiliser, machinery and pesticides at ruling prices overseas and allow consumers to buy maize wherever they can get the best price, and you'll see a vastly better deal for everyone."

As things stood the maize farmers' problems were getting on top of them

with production costs rising faster than returns and bigger harvests meaning bigger losses.

Why grow so much maize?

"We have no choice," said Mr Nel.

This year was a good example of the alternative when a crop of about 14-million tons on the land on January 20th plummeted to a mere 8-million tons when the rains failed.

"Now just say we had decided to plant only enough for local consumption. We would have planted 7-million tons and run into a huge immediate shortage that would then have to be made up on the international grain market."

A cut in production would also lop hundreds of millions of rand off sales of fertiliser, fuel and seed. Maintenance and repair costs would drop by R50-million, and the Railways would lose income of R150-million.

Abolishing tariffs and restrictions on its inputs would not only mean savings for maize consumers, "we would also be

in a position to compete much more effectively on the export market.

"Of course we accept the need for self-sufficiency, which has brought about projects such as Atlantis Diesel Engines, but we think we are being burdened too heavily with the cost."

All parties including the maize consumer would benefit, he maintained, if the load were spread more evenly.

Lower input costs for the maize farmer meant lower production costs, which meant not just cheaper maize but cheaper chickens, meat, cheese, milk, "you name it. Maize is the basic feedstock in this country".

There is also a political factor.

"SA is the third largest exporter of maize in the world and one must bear in mind that the African continent requires maize from us. It's a commodity that can play a very important role in building bridges with neighbouring countries; they also suffer from drought and crop failure."

Board calls for end to red tape

CAPC TIMES 6/12/82 3 MAIZE

By GORDON KLING

THE Maize Board appealed to the government on Friday to help it bring down the price of South Africa's basic foodstuff by scrapping the tangle of protective tariffs and subsidies applicable to the industry.

In an interview, the general manager of the Board, Mr H du P Nel, said that far from benefiting the country's maize farmers, the present regulations and controls had left them facing "slow strangulation".

"We desperately need a return to the free market system. Give us the necessary permission and permits to import our basic inputs at ruling prices overseas like fuel, fertilizer, machinery and pesticides, and allow consumers to buy maize wherever they can get the best price, and you'll see a vastly better deal for everyone."

As things stood the maize farmers' problems were getting on top of them, with production costs rising faster than returns and bigger harvests meaning bigger losses.

Why grow so much maize?

"We have really do have

no choice," said Mr Nel.

"This year was a good example of the alternative, when a crop of about 14-million tonnes on the land on January 20 plummeted to eight million tonnes when rains failed till the end of February.

"Now just say we had decided to plant only enough for local consumption. We would have planted 7-million tonnes and run into a huge immediate shortage that would then have to be made up on the international grain market."

Mr Nel estimates a staggering drain in excess of R1-million on South Africa's balance of payments, already suffering from an economic downturn.

Drop in sales

In addition to the foreign exchange strain, the board estimated that a cut-back in production in an attempt to supply only domestic demand would mean a drop in fertilizer sales of R171-million.

Fuel sales would be down by R87-million, repairs and maintenance by R50-million, the railways would lose R150-million, and seed sales would decrease by R23-million.

Abolishing tariffs and restrictions on inputs would not only mean savings for maize consumers, "but what is more ... we would be in a position to compete much more effectively on the export market."

"Of course we accept the need for self-sufficiency, which has brought about projects such as Atlantis diesel engines, but we think we are being burdened too heavily with the cost."

'Spread load'

All parties, including the maize consumer, would benefit, he maintained, if the load were spread more evenly.

Lower input costs for the maize farmer meant lower production costs, which meant not just cheaper maize but cheaper chickens, meat, cheese, milk, "you name it ... maize is the basic feedstock in this country".

South Africa was also the third largest exporter of maize in the world, and maize was a commodity that could play a very important role in building bridges with neighbouring countries.